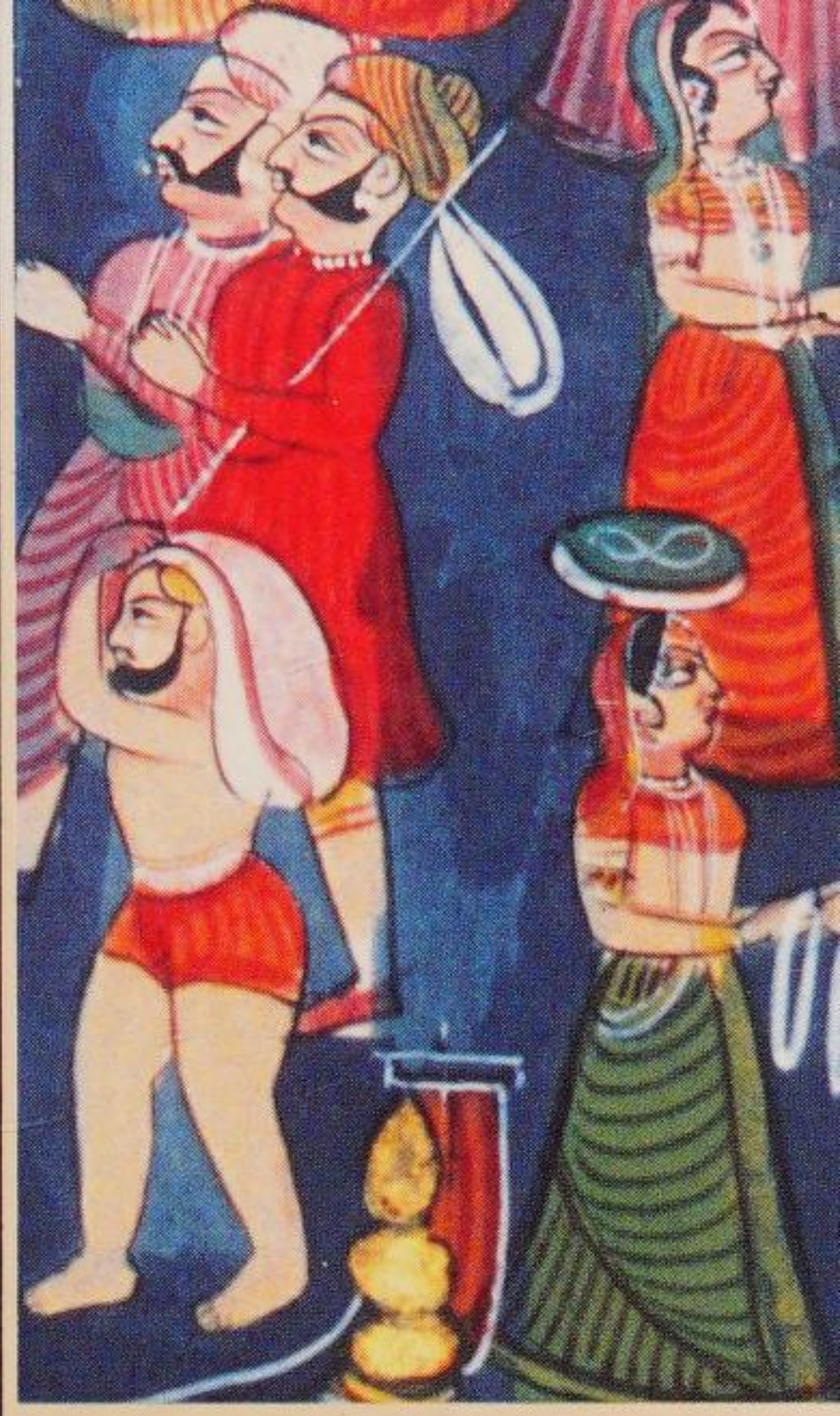

Feeding the Baniya

Peasants and Usurers in Western India

DAVID HARDIMAN

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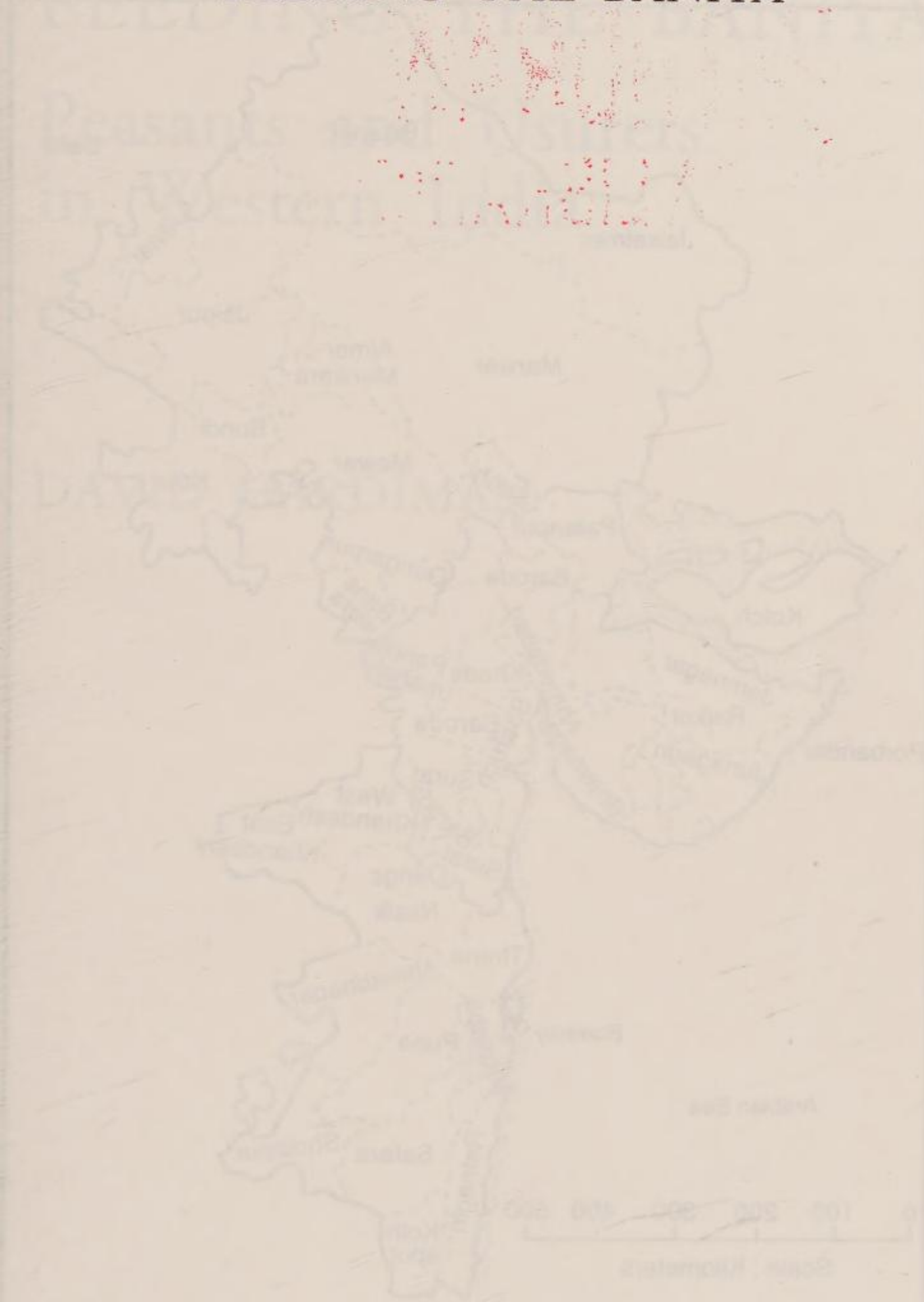

Map 1 : Western India during the colonial period

Showing areas of Rajasthan, Gujarat and Maharashtra covered in this book.

---- Boundaries of administrative areas.

FEEDING THE BANIYA

Peasants and Usurers in Western India

DAVID HARDIMAN

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To
Parita and Michaela

I loved the Sheth-Baniya so much that
I have given him a fat belly.

Bhil proverb, in Fuljibhai Bhil,
Rajasthani Bhilo ki Kahavate

PREFACE

This book represents an attempt to understand something of the quality of power which usurers have exercised over subaltern classes in rural India over several centuries. As well as the obvious economic element, this power had strong political and cultural dimensions to it. It was very tenacious, not only surviving the transition to colonial rule, but thriving in the new environment. Even when resisted in popular revolt, usurers — personified in popular imagination by the figure of the Baniya merchant — seemed to have a remarkable ability to bounce back, redefining the terms of their relationship with the subaltern to their perpetual advantage. I attempt to see how such a domain of power was forged; how, over the centuries, usurers managed to adapt their practice so effectively within succeeding state formations; and how the classes whom they exploited related to them, and also resisted them.

My interest in such a topic was stimulated by my participation in the *Subaltern Studies* project, which, under the inspiration of Ranajit Guha, has had as one of its chief objectives the study of relationships of domination and subordination in India. I was inspired also by the work of western Marxist historians, notably E.P. Thompson on systems of moral economy, and Eugene Genovese and Elizabeth Fox-Genovese on the blend of ruthless exploitation with paternalism in the slave system of the American south. These influences, coupled with insights gained from the writings of Karl Marx, Antonio Gramsci, Michel Foucault, Pierre Bourdieu and, in the context of western Indian, D.D. Kosambi, Jairus Banaji and Frank Perlin, have provided some of the main foundations for this book.

The work was conceived initially as a study of usury in Gujarat along, which has been my chief area for historical research. However, in the course of the investigations the project expanded to include other parts of western India. Rajasthan became included in part because it was the heartland of the Marwari Baniyas — a critical group for any study of usury. Also, the writing on pre-colonial Rajasthani socio-economic history has been much fuller than has been the case for Gujarat, allowing for a more satisfactory exploration of pre-colonial usury based on the secondary literature (I did not

have the linguistic skills to carry out primary research for myself in this respect). I also had the opportunity to travel widely in Rajasthan between 1986 and 1989, accompanying my partner, Parita Mukta, in her research on Mirabai. I chose to include Maharashtra because the colonial source material relating to usury was richer for this part of the erstwhile Bombay Presidency than for Gujarat. This material was found in extensive published reports, such as those of the Deccan Riots Commission of 1876 and the Bombay Banking Enquiry Committee of 1930, as well as in primary materials located in the Bombay branch of the Maharashtra State archives, which I consulted in detail. The Bombay Presidency parts of Maharashtra were in addition linked to the other two regions of study by an influx of Gujarati and Marwari Baniya usurers from the late eighteenth century onwards. Their exploitation of the peasants provoked a resistance which was particularly well documented. I had already gained some feel for rural Maharashtra through travels in Khandesh and in Nasik and Thane districts in the 1980–83 period while carrying out research for my study of the Devi movement of 1922–23, which occurred in the border region between Gujarat and Maharashtra. To gain a better knowledge of the Maharashtrian heartland, I visited certain towns and villages in Pune and Ahmadnagar districts on research trips in 1988 and 1991.

The area covered in this book can thus be stated to be the whole of Gujarat and Rajasthan, including areas both under direct British control as well as princely rule, and the parts of present-day Maharashtra which were under the government of Bombay Presidency during the colonial period. The area is shown on map one. In a few cases, I have used material from adjoining regions, such as the Punjab, U.P., western Madhya Pradesh, and the parts of Karnataka which lay within Bombay Presidency.

I began work on this topic in the mid-1980s, and have in the process many of my own debts to acknowledge. Most of the research was carried out in the late 1980s while I was a fellow of the Centre for Social Studies in Surat, funded by the Indian Council of Social Science Research. I am grateful for the support given to me by its directors during this period, Ghanshyam Shah and S.P. Punalekar. Research was conducted at the Maharashtra State archives, Bombay; the Bombay University Library; the Gokhale Institute Library, Pune; the Gujarat State Archives, Baroda and Rajkot branches; the Centre for Social Studies Library, Surat; the Rajasthan State Archives, Bikaner

and Jodhpur; the Oriental Institute Library, Jodhpur; the India National Archives, New Delhi; the Nehru Memorial Library, New Delhi; the India Office Library, London; the British Library, London; the Library of the School of Oriental and African Studies, London; the Scottish National Library, Edinburgh. I would like to thank the librarians and staff of all these institutions for their help.

For help in my field work I would like to thank Kanu Bhavsar, Sadhana Dashishta, Anand Kapoor, Kusum Karnik, Jaibai Kengle, Dhadagu Langhi, and, for other forms of help in my research, Padma Anagol, Komal Kothari, Makrand and Shirin Mehta, Indra Munshi Saldanha and Denis Vidal. I remember my stints at the Bombay archives with particular pleasure as a result of the warm hospitality always provided in Bombay by Robyn and Nadir Bharucha, and their daughters; Perin, Kate and Amy. In Baroda, I found a home with Sudha Desai, who, tragically, is no longer with us. Elsewhere, I was looked after by Arun Kumar in Udaipur, Kashyap and Jayenti Mankodi in New Delhi, and Madhu and Arvind Rawal in Bhavnagar.

The writing was facilitated by visiting fellowships at the Universities of Princeton (1990–91) and Manchester (1992–93). During my stay at Princeton, I remember with particular warmth the support and encouragement given to me by Natalie Zemon Davis, and the help extended by Kari Hoover. For reading and commenting on parts of this work at its various stages of production, I would like to thank Shahid Amin, David Arnold, Gautam Bhadra, Sumit Guha, David Moon, Bob Moore, Gyan Pandey and Tom Shakespeare. I would also like to acknowledge the valuable comments made by participants in seminars I gave at the Surat Centre and Delhi University in India; at the School of Oriental and African Studies, the University of Manchester and Queen Elizabeth House, Oxford, in England; and to the Association of Asian Scholars in New Orleans, and at the Universities of Princeton, Santa Cruz and Chicago in the United States.

Parita has travelled with me to many of the places I visited in the course of the research, illuminating my understanding with her many insights into the society and popular culture of western India. She has also forced me to be more conscious of the importance of gender differentiations within peasant society, and I hope that this work bears some of the marks of this awareness. As a whole, the book owes a huge amount to her inspiration over the years. I dedicate it to her and to our daughter, Michaela.

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ABBREVIATIONS

A.C.	Assistant Collector
BA	Bombay Archives (Maharashtra State Archives, Bombay)
BJP	Bombay Judicial Proceedings
BPBEC	*Report of the Bombay Provincial Banking Enquiry Committee 1929–30*, three volumes, Bombay, 1930
BRO	Baroda Records Office (branch of Gujarat State Archives)
DRC	*Report of the Committee on the Riots in Poona and Ahmednagar 1875*, report and three volumes of appendices, Bombay, 1876
EPW	*Economic and Political Weekly*, Bombay
F.D.	Foreign Department
H.D.	Home Department
HPO	Huzur Political Office
IOL	India Office Library, London
J.D.	Judicial Department
NAI	National Archives of India, New Delhi
Pol	Political
R.D.	Revenue Department
RSA	Rajasthan State Archives, Bikaner
Sp	Special

GLOSSARY

Abhang	Song composed by a sant of Maharashtra
Abru	Credit/honour
Adhatiya	Commission agent
Adivasi	Subjugated community which claims to be the original inhabitant of a region, classed today as a 'scheduled tribe'
Agarbatti	Incense stick
Agarwal	Baniya sub-caste
Amil	Tax collector at the pargana level
Bahi	Account book
Bajra	Millet (*pennisetum typhodeum*)
Band	Revolt, rebel group (Marathi)
Bandkari	Rebel, outlaw (Marathi)
Banian/banyan	British term for a trader, often, but not always, of the Baniya community
Baniya	Mercantile community
Bapota	Ancestral land-right (Rajasthan)
Begar	Forced labour
Bhagdar	Holder of a share (*bhag*) of village land (Gujarat)
Bhaiband	Fellow member of a group, a brotherhood
Bhajan	Devotional song, hymn
Bhakta	Devotee
Bhakti	Devotion to a personal god
Bhil	Rural community, now classed as adivasi, found in southern Rajasthan, northern and eastern Gujarat, western Madhya Pradesh and north-western Maharashtra
Bohra	Term used in Rajasthan for a sahukar
Brahman	The highest, priestly class
Byaj	Interest on loan
Chaudhari	Village headman
Chora	Open space in the centre of a village, government office in a village
Crore	Ten million
Daku	Outlaw, bandit
Dalal	Commission agent

Damdupat	Rule that compound interest should not mount in excess of double the original value of a loan
Dargah	Shrine or tomb of a saint
Daudi Bohra	Shiah Muslim community, associated in particular with trade and usury
Desai	Collector of taxes in pre-colonial Gujarat
Deshpande	Collector of taxes in pre-colonial Maharashtra
Devu	Debt (Gujarati)
Dharmashala	Religious rest houses
Dharna	Putting moral pressure by sitting before a person's door
Dhoti	Male garment, a cloth, tied at the waist and wrapped and folded around the legs
Diwali	Festival in honour of Lakshmi, held at the new moon of the month of Kartik; start of a Samvat year of the Vikram era
Ganesh	Son of Shiv and Parvati, with an elephant head; worshipped as a god who removes all hindrances
Gaushala	Home for cattle
Ghat	River embankment, mountain slope or pass
Ghee	Clarified butter
Gosai	Holy man
Gota	Assembly of dominant landholders (Maharashtra)
Gur	Raw sugar
Haat	Weekly market
Hanuman	Chief of the monkeys who helped Rama in his invasion of Lanka; worshipped as a god
Haveli	Mansion
Himsa	Violence
Hundi	Bill of exchange
Jagirdar	Holder of an assignment of revenue from a specified tract of land
Jain	Follower of the Jain religion
Jamadar	Head constable
Jat	Dominant rural community of Punjab, western U.P. and Rajasthan
Jati/Jatni	Caste or sub-caste
Juvar	Millet (*andropogon sorghum*)
Kaka	Paternal uncle
Kaliyug	The fourth, degenerate age of the aeon

Kamdar	Manager
Kanbi	Dominant rural community of Gujarat
Karma	Effect of deeds performed in this or previous lives
Kazi	see Qasi
Khadayata	Baniya sub-caste
Khalsa	Government-controlled land
Kharif	The autumn crop
Khedut	Peasant (Gujarati)
Khot	Holder of an assignment of revenue from a specified tract of land in the Konkan (pre-colonial period). Konkani landlord (colonial period)
Kirtan	Group singing of devotional songs to a deity
Kisan Babha	Peasant Association
Kodra	Millet (*paspalum scrobculatum*)
Krishna	Hero and god, eighth incarnation of Vishnu
Kshatriya	The warrior class
Kuldevi	Goddess of the family or lineage
Kulkarni	Village accountant (Maharashtra)
Kumkum	A red powder, used in worship and for making a bindi on the forehead
Kunbi	Dominant rural community of Maharashtra
Kusida	Lending on interest
Lad	Baniya sub-caste
Lakh	One hundred thousand
Lakshmi	Goddess, wife of Vishnu, associated with good fortune and wealth
Lathi	A staff
Luhana	Community of Saurashtra, associated in particular with trade and usury
Mabap	Parent
Mahadev Koli	Peasant community of western Maharashtra
Mahajan	See Sahukar
Maheshri	Baniya sub-caste
Mama	Maternal uncle
Mamlatdar	Official in charge of a pargana or taluka
Manoti	Security
Manotidar	Usurer who stood security for payment of state taxes
Mantra	Sacred verse or formula, incantation, spell

Marwari	Literally, a person from the Marwar region of Rajasthan, but — popularly — a Baniya from Marwar
Maval	Valley (Marathi)
Miras	Ancestral land-right (Maharashtra)
Mirasdar	Holder of a miras (Maharashtra)
Modh	Baniya sub-caste
Mosar	Death-feast (Rajasthan)
Mukadam	Intermediary between employer and workers
Mukhi	Village headman
Murti	Image of a god
Mutsadi	Baniya who served as a top-level official in a princely state
Nadar	Person without credit, a bankrupt
Nagli	A grain (*cynsurus corocanus*)
Nayak	Chief
Nima	Baniya sub-caste
Nirguna	Devotion to the ultimate being as a formless force
Oswal	Baniya sub-caste
Panchayat	Assembly of arbitrators
Panjrapol	Home for destitute animals
Parda	Seculsion of women
Pargana	Administrative sub-division
Patel	Village headman (Gujarat)
Patidar	Holder of a share (pati) of village land, also a member of a caste of dominant peasants (Gujarat)
Patil	Village headman (Maharashtra)
Patwari	Village accountant
Pir	A spiritual guide, a saint
Porvad	Baniya sub-caste
Potadar	Treasurer
Praja Mandal	People's Association
Puja	Worship
Qasi	Judge (Islamic society)
Rabi	The spring crop (March–April)
Rna	The condition of debt
Ryot	Peasant
Sadhu	Religious mendicant (male)
Sadhvi	Religious mendicant (female)
Saguna bhakti	Worship of God as a being with a visible form

Sahukar	Respectable trader/usurer
Sahukari	The occupation or status of sahukar
Sakhi	A rhyming verse (usually a doha) attesting to some aspect of universal truth as perceived by a nirguni devotee
Sant	An ascetic
Sarkar	Government
Savai	Interest at a rate of one and a quarter per cent
Seva	Service
Shah	Common Baniya surname (Gujarat)
Sheth	Commercial capitalist of high social status
Sloka	A couplet
Smrti	A class of literature comprising lawbooks, epics and Puranas, especially lawbooks
Srimali	Baniya sub-caste
Srinathji	Form of Krishna worshipped by Vallabhacharya Vaishanavites at Nathdwara in Rajasthan
Sudra	Lowest of the four classes of ancient Indian society
Talati	Village accountant (Gujarat)
Taluka	Sub-division of a district
Taqavi/takavi	State loans
Tehsil	Sub-division of a district
Thakur	Master of a village or rural tract, a landlord, a chief
Thali	Metal food-plate
Vada	Mansion (Maharashtra)
Vadi	Hamlet
Vaishnava	Follower of Vishnu, particularly in his incarnation as Krishna
Vaishya	The third, mercantile class
Vani	Trader/usurer
Vanik	Merchant/commercial capitalist
Vaniya	Mercantile community (Gujarat)
Varna	The four classes of ancient Indian society
Vatan	Ancestral land-right (Maharashtra)
Vatandar	Holder of a vatan (Maharashtra)
Vyaj	Interest on loan
Yantra	Astrological diagram, magic square
Zamindar	Holder of an assignment of revenue from a specified tract of land (pre-colonial period). Landlord (colonial period)

Chapter One

Introduction

Of all the harsh features of peasant life in western India, the experience of debt was for many the cruellest. It was estimated in 1851 that about 95 per cent of the peasants in the Pune district of Maharashtra were in debt to Baniyas and other moneylenders. Many peasant families had mortgaged their entire property to these people.[1] The usurers, known as *sahukars*, were typically Baniyas by caste. They clustered in towns and large villages, and also served a number of adjoining smaller villages. A sahukar family generally ran a shop stocked with grain, cloth, vegetable oil, salt, ironware and other necessities of daily life, which were advanced to the peasants — along with small sums in cash — as and when needed. Larger loans were provided to cover the state demand for land tax, to pay for new livestock or agricultural equipment, for the celebration of births and marriages, to meet mourning expenses at times of death, and for religious rites. In return, at harvest time, the sahukars would go with their carts to their clients' threshing floors and demand that they be handed over the greater proportion of the harvested crop. To maintain their future credit, the peasants had little choice but to comply. By this means, the usurers expropriated a large share of the fruits of the peasants' labour.

To be able to operate in this manner, the sahukars had to have power over the peasants. To some extent this power was derived from the support they enjoyed from succeeding states. The Mughal emperors extended full support to the usurers.[2] The Rajput rulers

[1] 'Memorandum on the rural police in the Poonah Zilla with suggestions for improving the conditions of the ryots', BA, J.D. 1851, vol. 12.

[2] Irfan Habib, 'Usury in Medieval India', *Comparative Studies in Society and History*, 6:4, July 1964, pp. 407–13.

of Rajasthan favoured and patronized Baniya sahukars, often making them responsible for collecting land tax from the peasants.[3] The jagirdars of these states were required to protect sahukars: if one was looted, the local jagirdar was responsible for returning the money.[4] In the eighteenth century, when tax farming became general, most tax farmers found it judicious to operate in alliance with sahukars, and in return supported them in their usury.[5]

The British backed the sahukars from the start. In 1820 the superintendent of the newly annexed district of Ajmer in Rajasthan argued that the presence of sahukars made government loans to peasants unnecessary, and that villages in which sahukars were in trouble had become 'greatly deserted and uncultivated'. The Governor-General of India qualified this by commenting that sahukars 'though probably grasping and usurious in their dealings with the Zemindars [by which here he meant landholding peasants], must, nevertheless, in the present state of the moral habits and intelligence of the villagers, be essentially useful, and deserve encouragement'.[6] In the following years British officials throughout western India praised the sahukars fulsomely, seeing them as 'the connecting link between civilization and barbarism', without whom the collection of land tax would often have been jeopardized.[7] In 1840 the collector of Surat wrote about these usurers: '...in our zeal to protect the poorer classes, we should not forget the policy of conciliating an industrious and very influential tribe, one of the few who are still attached by interest and inclination to our supremacy in India.'[8] Laws were passed which helped the sahukars to collect their debts and extend their power over the peasants.

Even then, the usurers did not enjoy state protection on a day-to-day basis. They were few in number, living in small towns and large villages in which there were no garrisons of troops or police.

[3] G.D. Sharma, 'Indigenous Banking and the State in Eastern Rajasthan during the Seventeenth Century', *Proceedings of the Indian History Conference, Waltair,* 1979.

[4] S.P. Gupta, *The Agrarian System of Eastern Rajasthan (c. 1650 – c. 1750)*, Delhi, 1986, p. 229.

[5] C.A. Bayly, *Rulers, Townsmen and Bazaars: North Indian Society in the Age of British Expansion, 1770–1870,* Cambridge, 1983, p. 462.

[6] Quoted in H. Le P. Wynne, 'Land Tenures and Revenue System in Ajmer-Merwara', 25 March 1871, NAI, F.D. May 1872, 15–30, Revenue A.

[7] The quote is by R.K.. Pringle, collector of Khandesh, 17 June 1840, BA, R.D. 1844, 107/1664.

[8] J. Vibart, 29 July 1840, BA, R.D. 1844, vol. 1664.

They travelled into surrounding villages to realize debts frequently without guard protection. Yet attacks on usurers by debtors were rare. This fact was noted by an official who worked in one of the remotest parts of western India, Jhabua district in Madhya Pradesh, which was inhabited by Bhils:

> One particular trait of the Bhil character is that a Bhil never attacks his moneylender. I have not come across a single case of a moneylender having been done to death...He [the sahukar] travels proudly on pony and can visit the remotest places in the Bhil territory without any fear of any one even being disrespectful to him. No one ever shoots an arrow at him.[9]

In a study I carried out of the Devi movement in south Gujarat — which occurred in the 1920s — I found that there was a striking difference between the attitude of the local peasants to Baniya usurers on the one hand and to Parsi liquor dealers, another highly exploitative group, on the other. Although protests against the latter were frequent and sustained, it was rare for any peasant to complain to the authorities about the Baniyas. Their relationship with these sahukars was that of subordinate client to paternal patron. They often spoke of their Baniya creditor as their 'parent' (*mabap*), and to his face they addressed him as 'uncle' (*kaka*). The relationship was thus a very personal one, with the peasants clinging to the belief that their own particular usurer-patron would look after them in times of difficulty. In marked contrast, the peasants hated the Parsis, who sold liquor to them on credit and then appropriated their lands in repayment of these 'debts'. The antagonism culminated in the Devi movement, which involved a widespread attack on Parsi domination.[10]

In such respects, we might label the power of the Baniyas as ideological or 'hegemonic'. It was control of this sort which a group like the Parsis lacked so conspicuously. It is, however, one thing to apply such a label, another to demonstrate how such a process operated in practice, for there are different notions of what constitutes 'hegemony', and a very complex range of forces was involved. 'Hegemony' can be seen in one respect to involve the self-justification of the dominant classes. This has been described well by Eugene Genovese:

[9] S.C. Varma, *The Bhil Kills,* Delhi, 1978, pp. 353–5.

[10] For details, see David Hardiman, *The Coming of the Devi: Adivasi Assertion in Western India,* New Delhi, 1987, pp. 96–8 and 126–8.

An essential function of the ideology of a ruling class is to present itself and to those it rules a coherent view that is sufficiently flexible, comprehensive, and mediatory to convince the subordinate classes of the justice of its hegemony. If this ideology were no more than a reflection of immediate economic interests, it would be worse than useless, for the hypocrisy of the class, as well as its greed, would quickly become apparent to the most abject of its subjects.[11]

Such an understanding is complicated in the case of a group like the Baniyas by the fact that they were an intermediary rather than a 'ruling' class. On the one hand they accepted the hegemony of the class which controlled the state, and on the other hand they had their own very distinct moralities which were accorded a certain amount of legitimacy by those subordinate to them. These concerns will form one area of enquiry in this book.

The extent to which subordinate groups internalize the values of dominant classes is however a matter of dispute. James Scott has pointed out that we should never accept the statements made by subordinates to superordinates in such matters at face value, for although it was generally in the interest of dominated groups to make a public show of accepting the self-image of their patrons, they tended to have their own thoughts on the subject which they kept to themselves. This he characterizes as a 'hidden transcript' of dissident popular opinion.[12] It could be found in stories, songs, proverbs, but also in the archives of the elite, if we read them 'against the grain' in the manner encouraged by Ranajit Guha.[13]

Even then, there was a whole range of areas in which usurer-power could be legitimized by sets of shared beliefs. In Gramscian terms, 'hegemony' is a force which permeates cultures in often hidden ways, being a set of commonsensical shared beliefs, which are so deep-rooted as to be largely accepted without debate.[14] These beliefs could be full of contradictions, but as they were unstated, this hardly mattered. In examining any 'hegemonic' hold by the Baniyas over

[11] Eugene Genovese, 'Materialism and Idealism in the History of Negro Slavery in the Americas', in E. Genovese, *In Red and Black: Marxian Explorations in Southern and Afro-American History,* Knoxville, 1984, p. 33.

[12] James C. Scott, *Domination and the Arts of Resistance: Hidden Transcripts,* New Haven, 1990.

[13] Ranajit Guha, 'The Prose of Counter-Insurgency', in Ranajit Guha (ed.), *Subaltern Studies II,* New Delhi, 1983.

[14] Antonio Gramsci, *Selections from the Prison Notebooks,* London, 1971, pp. 323–31.

their peasant clients, what we therefore need to look for also are deeply-held ways of thought which can be seen in 'common sense' statements and observations about the relationship. We have to discover to what extent peasants may have internalized certain mercantile values in a way which made them appear 'natural'. The work of Pierre Bourdieu on cultural notions of debt and credit in peasant societies is highly suggestive in this respect, and it will be looked at in chapter five.

Hegemony — in this sense — can be seen to operate strongly not only in day-to-day life, but also in the resistance of subordinate groups. Such resistance might seek to correct what was seen as the deviant behaviour of members of a dominant class who did not conform to an expected behaviour, being not against the dominant class as a whole, but against rogue individuals within it. Considerable light can be shed on the operation of hegemonies through the study of resistance, evaluating the extent to which popular action was either circumscribed by hegemony or was able to break through into a transformed understanding of a power relationship. In chapters ten, eleven and twelve, I shall examine three patterns of resistance to usury in this respect.

As Michel Foucault has emphasized, any convincing study of a relationship of power has to be carried out in a multi-dimensional way. He has argued that an over-concentration on one dimension of such a relationship — such as the 'economic', the 'social', the 'political', the 'cultural' (categories pulled normally from one particular academic discipline) — results in a distortion of our understanding. In practice, power is multiplex, with each element blending into the others. In his own work, Foucault undertook what has been called 'a topological and geological survey' of various institutions of power, examining the 'technologies of control that constitute the fabric of all social institutions'.[15]

Foucault's method is to examine each particular power-system in terms of a continuing interplay between knowledge of the structure — that is, the discourse about it — and the actual practice of power in that sphere. He argues that the initial practice gives rise to an understanding which may be called the 'forming principle'. This

[15] Lawrence D. Kritzman, 'Introduction: Foucault and the Politics of Experience', in Michel Foucault, *Politics, Philosophy, Culture: Interviews and Other Writings 1977–1984*, New York, 1990, p. XV.

provides an epistemic frame which exerts a continuing influence over time, even after practice has changed considerably. It is the role of discourse to redefine the 'forming principle' to bring it into line with changing practices.[16] This can be demonstrated in the notion of debt — *rna* in Sanskrit — elaborated in Vedic texts and providing the frame for the continuing understanding of the condition in subsequent centuries. The notion will be examined in chapter two, and its development in medieval times in chapter five. Although, as I shall seek to show, the forms which usury took, its social role and political importance changed from century to century, the institution continued to be bound by its past in certain important respects. The European discourse on and practice of usury — which will be examined in chapter three — had its own very different tradition. With the advent of colonial rule the two forms of discourse and practice came into conflict, but also produced a synthesis of sorts. It is one of the aims of this book to trace these various historical influences on the practice of usury in western India.

To sum up, in this book I hope to arrive at a better understanding of the interplay between a complex of elements within one particular relationship of domination and subordination, that of usury. This process involved both the exertion of hegemonic power as well as resistance to that power. The analysis will not be of a static structure, but of a system in continual transition, from the pre-colonial, to the colonial, to the post-colonial. Although these transitions involved profound and often traumatic ruptures, there were also, I believe, strong continuities, reflected very clearly in the way existing merchant and usurers capital served the needs of succeeding state formations. Because of this, many of the economic, social and hegemonic elements of the usurer-peasant relationship survived in modified — and always evolving — forms, gaining a new and altered significance in the process.

[16] Michel Foucault, 'Politics and the Study of Discourse', in Graham Burchell, Colin Gordon and Peter Miller, *The Foucault Effect: Studies in Governmentality, with Two Lectures by and an interview with Michel Foucault,* Hemel Hempstead, 1991, pp. 53–4.

II

Although for convenience I employ in this book the English word 'usury' rather than any Indian equivalent, I need to say something about the term and state how I intend to use and understand it. In English the term has certain connotations which have changed over time. These changes are reflected in two definitions of 'usury' given in the *Shorter Oxford Dictionary*. The first is a meaning which dated back to medieval times in Europe: 'the fact or practice of lending money at interest'. The second is a later one which emerged after the Reformation of the sixteenth century: 'the practice of charging excessive or illegal rates of interest on money for loan'.[17] In India, British colonial officials used the term in the second sense, and established their own standards as to what could be considered 'usurious'. Laws were passed on the maximum rates of interest enforceable in civil courts. In Bombay Presidency this was ruled in 1814 to be 12 per cent per year.

In Hindi and Gujarati, the words which have come closest to this latter notion of 'usury' have been those related to *byaj* and *sud* (Hindi) and *vyaj* (Gujarati). These mean the interest or profit on a loan, but also deceit and fraud. In Gujarati vyaj can be either *sadu*, that is, simple, or *chakravradhdi*, meaning compound. Byaj-khor, sud-khor and *vyajkhau* are adjectives meaning, literally, the 'eating' of interest, which has the connotation of exploitation. Byaj-khori/sud-khori/vyajkhori are often translated simply as 'usury'.[18]

Other terms have rather different connotations. One such is the Gujarati word *dhirdhar*. The root of this term is the verb *dhirvu* — to confide, trust, entrust, and thus by extension, to give on credit. Dhirdar has the connotation of a commercial dealing involving the giving of credit in return for interest, but it suggests a relationship of trust rather than exploitation.[19] This is even truer of the Gujarati word *shahukari*, meaning the profession of lending on interest, but also honesty and honest dealing. This stems from shahukar, a banker,

[17] *The Shorter Oxford English Dictionary on Historical Principles*, vol. II, Oxford, 1975, p. 2443. The history of these changes in the meaning of 'usury' in Europe will be looked at in more detail in chapter 3.

[18] Definitions from R.S. McGregor, *The Oxford Hindi–English Dictionary*, Delhi, 1993, pp. 751 and 1035; S.W. Fallon, *A New Hindustani–English Dictionary*, Banaras, 1879, p. 792; P.G. Deshpande, *Gujarati–Angreji Kosh*, Ahmedabad, 1974, p. 830.

[19] Ibid., p. 506.

money-changer, a man of credit, an honest man.[20] The Hindi word is *sahukari*, defined as the 'occupation or status of sahukar'. The sahukar is a 'wealthy person' or 'banker'.[21] He is, in other words, a man of status and wealth who is in the profession of banking and gives loans on interest in a respectable manner. A related term is *mahajan*, or 'great man'. Such words describe the usurers in their own estimation, and they are, obviously, preferred by them. The implications of the term 'sahukar' are examined later in the book. I may however mention that in Gujarati there is an ironic inversion of the meaning of sahukar — it can also mean a rogue or a thief.[22] Therefore, even in this most respectable of terms for the usurer there is also the suggestion of exploitation.

These terms are loaded with a wealth of connotations which are not captured adequately in the English word 'usury'. The problem of using the term in an Indian context is compounded by the fact that it has been used to mean different things by different historians. In his essay on usury in medieval India, Irfan Habib has stated: 'The term "usury" has been employed here in the same sense as is sanctioned by usage in writings on medieval European history, namely, lending at interest, whatever the rate or the form of extracting it.'[23] By contrast, British officials tended to make a distinction between 'moneylending' — meaning all forms of lending on interest — and 'usury' — meaning 'the practice of charging excessive or illegal rates of interest on money for loan'. This sort of distinction has been made by historians subsequently, as for example, Neeladri Bhattacharya in an essay on 'moneylending' in the Punjab between 1880 and 1940. He makes a distinction between two different types of 'moneylenders'. The 'usurer' he defines as one who sought to earn the maximum interest possible from the peasant. He lent money, often without any security, and relied on the threat of the use of force to ensure that loans were repaid at rates of interest ranging from 24 per cent to 200 per cent. In the Punjab, this figure was personified by the Pathan. In another category was the 'merchant-moneylender' who advanced loans not so much to earn interest,

[20] Ibid., p. 839.

[21] *Minakshi Hindi-Angreji Kosh*, Meerut, 1987, p. 727.

[22] Deshpande, p. 839.

[23] Irfan Habib, 'Usury in Medieval India', *Comparative Studies in Society and History*, 6:4, July 1964, p. 393.

as to ensure regular supplies of agrarian produce at a price which could be controlled. Although not actually stated, the assumption is that the rates of interest taken by the latter class were lower and not 'usurious'(otherwise why use the term 'usurer' for only one of these categories?), and that they collected their debts through persuasion rather than coercion.[24]

In my opinion, it is most appropriate in the Indian context to employ the term 'usury' in broadly the first sense, as the advancing of credit on interest, regardless of rates of interest. Although I am fully in accord with Neeladri Bhattacharya in his otherwise excellent essay in accepting the need to understand why moneylenders lent and to also find out whether their power was based on coercion or persuasion, it is hard, I believe, to argue that these distinctions coincided, even very roughly, with so-called 'usurious' and 'non-usurious' rates of interest. Merchant-moneylenders were notorious for imposing 'usurious' rates according to the later English definition of the term. Malcolm Darling records a rate of 25 per cent on grain loans as being the standard amount levied by such people in the Punjab in the 1920s.[25] The interest rates taken by the same moneylender varied greatly according to the form of loan and the person who was borrowing.

In the context of rural India it was virtually impossible to distinguish between 'usurious' and 'non-usurious' rates of interest because in practice the amount of produce or cash handed over to the creditor was determined by the bargaining power of each party each year. The lender would always try to take as much as possible from the peasants, extending generous promises of help should their supply of food run out before the next harvest; the peasants would plead for more generosity there and then. In some cases the lender demanded free labour from debtors, a practice difficult to calculate in terms of interest. In the last analysis, the rate of interest a lender could expropriate depended on his all-round power over clients, and it varied widely from client to client and even — depending on the state of the harvest — from year to year.

From this it will become clear that even the first of the definitions in the *Shorter Oxford Dictionary*, that of 'the fact or practice of

[24] N. Bhattacharya, 'Lenders and Debtors: Punjab Countryside, 1880–1940', *Studies in History*, new series, 1:1, 1985, pp. 306–7.

[25] M. Darling, *The Punjab Peasant in Prosperity and Debt*, London, 1932, p. 190.

lending money at interest', is not satisfactory in the Indian context. In India, the bulk of the credit advanced in usury tended to be in kind; and therefore it is wrong to confine the term to that of lending *money*. Likewise, interest could be paid in produce, money or labour. Irfan Habib was aware of this fact in his use of the term, for he defined it as 'lending at interest, whatever the rate or the form of extracting it'. This is my usage also. For this reason, the term 'moneylending' is not satisfactory either.

'Usury', in the sense that I use it in this book, thus implies an exploitative relationship in which the creditor has power over the borrower. The creditor has control over capital, which is advanced to subordinates, who have to pay interest on the loan, which can be in kind, in money or in labour. For this reason, I do not extend the concept here to the giving and taking of mutual aid between equals, even if some form of interest was paid.

Chapter Two

Usury Under the Old Regimes

Usury as a practice and as a determinant of a relationship of power, in which merchant capital was advanced to subordinate classes on the payment of interest, appears to have emerged in ancient times in the state-centred civilizations of the 'Old World' — that is, in Europe, Asia and northern Africa — becoming diffused through numerous contacts between these civilizations. It is by no means certain that it emerged first in the civilizations of the Mediterranean; a non-European origin is as likely. Although found over a wide area, the practice was limited to the 'Old World', not being extended to all parts of the globe until after the European conquest of the 'New World' over the past five centuries.

In medieval and early modern times the need to take credit on interest was a compelling fact of life for large numbers of peasants of the 'Old World'. In late medieval Europe, for example, all sorts of people, including not only the known moneylending classes — such as Jews, Cathars and Lombards — but noblemen, estate-managers, merchants, priests and wealthy peasants, advanced large amounts of credit to peasants.[1] In early modern Russia, where the commercial structure was poorly developed, landlords provided the bulk of credit to their serfs.[2] In China, under the Qing dynasty, grain was advanced to peasants in part from state-run granaries,

[1] Peter Spufford, *Money and Its Use in Medieval Europe,* Cambridge, 1988, pp. 336–8 and 383–4; Jacques Heers, *L'Occident aux XIVe et XVe Siecles,* Paris, 1973, pp. 254–5. I am grateful to Bob Moore for these references.

[2] P. Dukes, *The Making of Russian Absolutism 1613–1801,* London, 1982, p. 48; Anne Lincoln Fitzpatrick, *The Great Russian Fair: Nizhnii Novgorod, 1840–90,* Basingstoke, 1990, p. 125. In the Russian pale, on the other hand, there were many Jewish usurers. See Prince Serge Dmitriyevich Urussov, *Memories of a Russian Governor,* New York, 1908, p. 164. I am grateful to David Moon and David Saunders for these references.

and in part by merchants and the local gentry. There was no class which specialized in usury in itself.[3] In all these cases, the pattern which such lending took, its links with state power, and its legal and epistemological status, the social position of the creditors, the social relationships involved in lending and borrowing, and its place within the system of production differed considerably from area to area.

In this chapter I will examine the historical evidence of the emergence and extension of usury in one such area — that of western India. However, the following section on ancient India looks at India as a whole, as the material on western India alone is very inadequate for that period. Thereafter the emphasis is on western India.

II

In vedic discourse, the condition of debt (*rna*) is depicted as a primordial condition of humankind. All are born into debt — to god, to holy men, to fathers, to other humans. No explanations are offered as to how these debts arose; there is no mythology of the process of becoming a debtor — no primordial fall into a state of debt. Human existence involves a constant striving to pay off these multiple debts. Both rna and kusida — the word for 'lending' — have no known, or at least convincing, etymology; they appear to have emerged at an early stage in the evolution of the Sanskrit language.[4]

Moral and spiritual debtors were allowed a certain period of grace before they needed to begin paying off their debts. Thus, the twice-born were allowed time to learn the vedas so that they could, by reciting them, pay their dues to god. Likewise, people were allowed time to procreate so that they could pay off their debts to ancestors. By producing a son, one could, as it were, save oneself by substituting a new debtor in one's place. In this way, a connection was established between a debt and a physical body.[5]

[3] R. Bin Wong, 'Food Riots in the Quing Dynasty', *Journal of Asian Studies*, 41:4, August 1982, pp. 768–9.

[4] Charles Malamoud, 'The Theology of Debt in Brahmanism', in Malamoud (ed.), *Debt and Debtors*, New Delhi, 1983, pp. 24–9.

[5] Ibid., pp. 29–33.

By the time of the *Atharva-veda*, the term kusida had evolved to cover the lending of goods or capital to earn interest, which may be defined as the practice of 'usury'.[6] This usage was established even more firmly in the late vedic text, the *Satapatha-Brahmana*. In the *Baudhayana Dharmasutra* of about the fifth century BC it was stated that only members of the Vaishya varna should lend on interest at a maximum rate of 10 per cent per annum. The word used in this text for such usury was vardhusa. Brahmans who practised vardhusa were condemned to be Sudras. Vasistha, writing at the same time, laid down similar rules. He poured contempt on the practice of vardhusa, claiming it to be worse than the murder of a Brahman. Baudhayana declared similarly that interest (*vrddhi*) was worse than the sin of abortion.[7] Judging from these texts, there seems to have been a sharp antagonism between the Brahmans and those who practised usury, reflecting, no doubt, the fact that Brahmans were sometimes the victims of Vaishya usury.

Who were the Vaishyas? D.D. Kosambi equates them with the vaniks. He maintains that this term stems from *pani*, the trading class of the Indus Valley civilization. There are references in the *Rg-veda* to panis as rich, greedy, treacherous enemies; Indra is said to have demanded cattle from them and to have looted them. This could refer to hostilities between the Aryans and these merchant classes.[8] After their conquest, they were probably incorporated under Aryan rule as members of the subordinate mercantile varna. By then, they were known as vaniks or vanijas. The modern word 'Baniya' stems from this root.

The antagonistic attitude evident to usury in these early Brahmanical texts would appear above all to have reflected a desire by the early Aryan kings to circumscribe the power of the mercantile class in the economic life of the state systems being forged at that time. The Aryan kingdoms which emerged from about the fifth century BC were based in the plains regions, where the forest was destroyed and plough agriculture introduced. The kings aimed for

[6] Brijkishore Bhargava, *Indigenous Banking in Ancient and Medieval India*, Bombay, 1934, pp. 3–4.

[7] R.S. Sharma, *Light on Early Indian Society and Economy*, Bombay, 1966, pp. 116–19 and 121.

[8] D.D. Kosambi, *An Introduction to the Study of Indian History*, Bombay, 1956, pp. 67 and 86–7.

a high degree of centralization of power. Kosambi has argued — using the *Arthasastra* — that at the time of Chandragupta Maurya (*c.*300 BC) the state maintained its own storehouses, and the keepers of the stores collected a share of the harvest and other produce directly from the subservient peasantry. The storekeepers supervised the cleaning, pounding and milling of the grain and carried on a large trade in produce. Prices were controlled by the state. They also arranged for advances to be made to the peasants in kind. Although there were many rich vaniks involved in trade and commerce, the state appears to have prevented them from having extensive dealings with the peasantry.[9] It is significant also that the *Arthasastra* held that no interest was to be charged where a debtor was engaged in vedic sacrifices of long duration or was residing at a teacher's *gurukula* for the purpose of study.[10] In this way, Brahmans would have been able to evade paying heavy amounts of interest on their loans.

Such a highly centralized system of rule could have operated only in a fairly limited area.[11] Most of India was still controlled by clan groups — the *dasas* — who subsisted largely on hunting, gathering and swidden agriculture in the hilly regions, and pastoralism in the open grasslands of the subcontinent. It is unlikely that the dasas inhabited the riverine plains, in which there was heavy soil, difficult to cultivate without the use of ploughs and which were then thickly forested. Given the low population density, it was much easier to live from hunting, gathering, slash-and-burn agriculture and pastoralism than from intensive forms of agriculture.[12] There was another advantage to such a life: it was difficult for outsiders to subjugate such a mobile population. The dasas were grouped into clans under the leadership of chiefs. It is unlikely that these chiefs were materially any wealthier than their fellows. The principle power of the chief lay in his ability to call on the

[9] Ibid., pp. 205–13.

[10] R.S. Sharma, *Light on Early Indian Society and Economy*, p. 139.

[11] What Burton Stein has argued for medieval south India probably applies here; namely that the direct rule of kings did not stretch far, being confined to a core area. Clan chiefs, once subjugated, accepted their paramountcy, but continued to rule their own territories. Over time, some of these clan chiefs set themselves up above their fellows and duplicated the core area systems in their own territories. *Peasant State and Society in Medieval South India*, New Delhi, 1980, pp. 24 and 274.

[12] D.D. Kosambi, *The Culture and Civilization of Ancient India in Historical Outline*, London, 1965, pp. 34 and 106.

members of the clan to serve as warriors under him. This he did either to defend their territory or to raid the territory of neighbouring clans.

As succeeding Mauryan rulers extended their kingdoms by conquering these independent clan groups, it appears to have been necessary for the rulers to give greater freedom to vaniks to deal with these communities. The growing social importance of usury and usurers during the Gupta period is reflected in the tenets on usury set out in the *Manusmrti.* This text held the profession of lending on interest (*vardhusika*) to be a respectable occupation, to be carried out by members of the Vaishya varna. Brahmans and Kshatriyas were not as a rule meant to indulge in such a trade, though they could for religious purposes 'lend at very low interest to a very evil man'. The taking of excessive rates of interest was listed among the 'minor crimes'. The term used for 'interest' was vrddhi.[13] The *Manusmrti* set out the different rates of interest which could be taken from each of the four varnas: 2 per cent per month could be taken from a Brahman, 3 per cent from a Kshatriya, 4 per cent from a Vaishya and 5 per cent from a Sudra.[14] For a Sudra — typically a peasant — this would have worked out to 60 per cent per year. In the earlier text, the *Arthasastra*, there is no mention of differential rates by caste, only by the amount of risk involved, so this must have been an innovation. The principle of interest rates being determined by one's position in the hierarchy proved to be a durable one, lasting into modern times.

In this context, D.D. Kosambi has made the challenging suggestion that in India the exploitation of subordinate classes has, for over two thousand years, been carried out primarily through usury. Usury, he believes, has performed the same function in India as slavery did in the state systems of ancient Greece and Rome, and serfdom in the states of medieval Europe.[15] We may qualify this by observing that the degree of exploitation would have varied considerably between the areas under strong centralized state control and those outside them. Also, we need to stress that the way in which such

[13] *The Laws of Manu,* translated by Weny Doniger and Brian Smith, Harmondsworth, 1991, I, 90, p. 13; X, 117, p. 249; XI, 62, p. 257. See also R.C. Sharma, *Light on Early Indian Society and Economy,* p. 117.

[14] *Manu,* VIII, 142, p. 167.

[15] D.D. Kosambi, *Introduction,* p. 240.

usury was practised must have evolved considerably over time, and despite the continuities, it would have had a different role and would have been structured differently in succeeding state formations.

The system described in the *Manusmrti* appears to have reached its zenith during the time of the Guptas. There was an expansion of settled agriculture in many areas formerly controlled by clan chiefs, such as Bengal and the Deccan.[16] This seems to have gone hand-in-hand with a remarkable development of merchant and usurers capital. In the words of Romila Thapar:

> The flexibility of a market economy was facilitated by three innovations— the use of a script, the consequent issuing of promissory notes, letters of credit, and pledges, and the introduction of money in the form of silver and copper punch-marked coins issued initially, it has been suggested, by the trader's guilds.[17]

It is likely that the provision of credit to peasants by vanik *sresthin* and *setthis* — that is, merchants and bankers organized in guilds (*shreni*) — was important to the process of agricultural expansion. The social status of these vaniks improved considerably as Buddhism — the religion with which they were associated in particular — came to rival and even supersede Brahmanism in many parts of India.

Rules and regulations regarding pledges, sureties and rates of interest were systematized still further and with much greater intricacy in the fifth and sixth centuries AD, which must have reflected the growing economic importance of usury at the time. Brhaspati distinguished different forms of interest payment, each of which was given a distinct name. There were monthly repayments (*kalika*), special high rates of interest to be paid in times of distress (*karita*), compound interest which never ceased to grow (*chakravrddhi*),interest to be paid by the bodily labour of the debtor (*kayika*), and interest paid by allowing the creditor the use of a property, such as a house or a field (*bhogalabha*). Brhaspati also stated that loans should never be advanced without an adequate security being provided, or without a bond or a pledge (*bandhaka*) of some sort, such as a field. The usurer was not permitted to dispose off the pledge — that is, to sell off the field — until after the principle had doubled through interest or the stipulated repayment date had passed. Also, the usurer

[16] Ibid., p. 280.

[17] Romila Thapar, *Ancient Indian Social History: Some Interpretations*, Hyderabad, 1984, p. 44.

was not permitted to make use of the pledge without the authorization of the debtor.[18]

From about 500 AD there was a sharp decline in the internal trade in grain and other agrarian produce, which brought about a crisis in the empire and the assertion of more localized polities. The next few centuries are considered a dark age for trade and commerce in India. Few coins are found for this period, compared to the hoards discovered dating from Mauryan, Ksatrapa and Gupta times.[19] This was a period when Brahmanism was reasserting itself against Buddhism, and it would appear that this process involved, among other things, the development of an alternative system of usury by Brahmans. Brahmans settled in unsubjugated clan regions converted the people to their religion and encouraged settled plough-based agriculture by providing credit. A large number of copper-plate charters of land gifts to individual Brahmans and to temples originate from this period.[20] There is evidence from south India that temples controlled by Brahmans became important centres for rural credit at this time. Inscriptions record the granting of loans to assemblies of landowners in particular villages, who in return contracted to supply exact quantities of goods to the temples on a regular basis. This arrangement was described as being a 'gift to god'. Repayment was to continue indefinitely; it was not expected that the principle be repaid. If payments were not forthcoming, the temples could take over the direct management of the land, appropriating most of the peasant's surplus. Temples regularly loaned out cash for mortgages with possession and invested in irrigation projects and land improvement.[21] In the case of north India, a deed of 1212 AD shows the head of a Shaivite temple accepting the mortgage of a village in return for a loan, and being allowed to collect the taxes of the village so long as the debt remained uncleared.[22]

[18] V.K. Jain, *Trade and Traders in Western India,* New Delhi, 1990, p. 191; Sharma, *Light on Early Indian Society and Economy,* pp. 131–4.

[19] Kosambi, *Introduction,* p. 288.

[20] Ibid., p. 291.

[21] David Ludden, *Peasant History in South India,* Princeton, 1985, pp. 33–4.

[22] R.S. Sharma, *Light on Early Indian Society and Economy,* p. 136. It is notable that in the same period in Europe, up till the twelfth century, most of the credit for agriculture was supplied by monasteries. Security was taken in the form of a mortgage. Jacques Le Goff, *Your Money or Your Life: Economy and Religion in the Middle Ages,* New York, 1988, p. 23.

The entry of Brahmans into usury on such a scale had to be accommodated in their scriptures. Interpolations were added to the texts of Gautama, considered to be one of the earliest lawgivers, which stated that a Brahman should be allowed to practice kusida so long as he did not indulge in it directly. Medhatithi, writing in the ninth century, stated that the god Vasistha, who was free from the weakness of greed, accepted interest at the rate of one-eightieth of the principle. Interest taken at such a rate was thus not considered to be tainted by the sin of greed. The *Garuda Purana* of the twelfth century praised usury in eloquent terms as a means of subsistence permitted to Brahmans, with all the sins inherent in the activity being absolved through correct *puja*.[23]

III

From this point on it is possible to trace the history of usury in a more specifically western Indian context. This was a period in which powerful state formations were developing in the region under Rajput rulers. This process went hand-in-hand with a reassertion of the power of the mercantile communities.

From the tenth century onwards there was a revival in trade and the growth of new urban centres. This was notable particularly in Gujarat, where Cambay became the leading entrepot. Powerful new states under Rajputs kings emerged along the trade routes from the ports to the interior. Their wealth was derived largely from the transit dues on trade. Most notable were the Solankis of Gujarat (941–1215), who ruled from Patan, which was on the trade route from Cambay to northern India. Patan was described as a city with eighty-four market places specializing in different wares or professions, and there were customs houses for every type of merchandize.[24] Some of the great merchants of the kingdom accumulated huge personal fortunes, and some of the most prominent servants of the state — such as generals and ministers — were vaniks. The Rajput rulers preferred the latter to men of their own community because

[23] R.C. Sharma, *Light on Early Indian Society and Economy*, pp. 119–20. Charles Malamoud, 'The Theology of Debt in Brahmanism', p. 39.

[24] A.K. Forbes, *Ras Mala or Hindoo Annals of the Province of Goozerat in Western India*, London, 1878, p. 192.

they were free from the ties of lineage which could have conflicted with their loyalty to the state.

In the region around Patan and other urban centres there was an expansion of agriculture and the development of irrigation facilities, which led to a growth in agricultural productivity. Particularly important was the growing use of the *arahatta* — what is known inaccurately as the 'Persian' Wheel — to raise water from wells. A considerable outlay of capital was required to dig a well and build such a machine, and credit would almost certainly have been required.[25] Rural usury does not appear at this time to have been the monopoly of any one group; the credit system seems to reflect the diverse history of rural credit in India. In the core region the state collected taxes directly from the peasants in kind, and thus maintained the royal granaries. Loans were advanced by the officials responsible for collecting taxes at the village level. In one case of 1231 an official of this type is recorded as giving livestock on mortgage at the rate of 2 per cent per month.[26] Brahman usury is also likely to have been significant. Many Brahmans are known to have migrated into the state from northern and eastern India, no doubt promoting the development of agriculture in the way they had elsewhere.[27] The largest Brahman community in Gujarat, the Audichyas, have a legend that they were invited to Gujarat by Mularaja Solanki (961–996), and that he made them grants of land.[28] There were many large and opulent temples with resources available which could be lent to peasants in surrounding areas. There was usury by vaniks also. They are recorded as running shops in villages and being involved in the marketing of agrarian produce. In one case it was stipulated that the debtor's wheat should be of good quality, and should be brought to the creditor's granary in the debtor's cart. In another case a vanik agreed to repay a loan in grain from another vanik after the harvest, which suggests he had a lien on some peasants' crops.[29]

The chief agrarian producers in the core agricultural areas of the state were settled peasants who handed over a substantial share of

[25] V.K. Jain, *Trade and Traders in Western India*, pp. 27–33.

[26] Ibid., p. 192.

[27] Ibid., p. 26.

[28] R.E. Enthoven, *The Tribes and Castes of Bombay*, vol. I, Bombay, 1920, p. 228.

[29] V.K. Jain, *Trade and Traders in Western India*, pp. 137 and 206.

their crop to the state and to their creditors. They were known as *kutumbiks* — or householders — a word which was shortened later to *kanbi*.[30] With state help and credit from usurers they were able to enhance the productivity of their land. The countryside around the cities must have appeared green, fertile and flourishing, in contrast to the far larger tracts of grasslands and forests which covered most of western India at the time and where capital from merchants and usurers had not yet penetrated.

The next major development in regard to usury in western India appears to have occurred in the fourteenth and fifteenth centuries, with the forging of more centralized systems of state control. These processes were initiated in India by the Delhi sultan, Alauddin Khilji, at the turn of the thirteenth and fourteenth centuries. He required the peasants to sell their grain to merchants immediately after the harvest at prices fixed by the state. The system was extended to Gujarat in a small way by Sultan Muhammad Tughluq, who reigned from 1325 to 1351. This sultan is known to have arranged for pre-harvest loans to be given to peasants.[31] It is likely that these were given through local merchants. With the state backing them, these merchants would have been able to extend their own private businesses in the rural areas, in time becoming merchant-usurers occupying a central role in the economic life of the villages. It is unlikely that this process was carried very far anywhere in western India during the fourteenth century, for the rule of the Delhi sultans was not strong here. It assumed major importance under the Gujarat sultans, when the power of the state was imposed on a far more extensive scale over a wider area.

Under the sultans a more centralized system of rule was made possible through the development of a more efficient army, a tax-collecting bureaucracy, a greatly extended system of banking, credit and accountancy, and the growing use of paper for record-keeping.[32] An important figure in this new state system was the small trader

[30] Forbes, *Ras Mala*, p. 25.

[31] Irfan Habib, 'Northern India under the Sultanate: Agrarian Economy', in Tapan Raychaudhuri and I. Habib (ed.), *The Cambridge Economic History of India*, vol. I, Cambridge, 1982, pp. 54 and 63–5.

[32] Frank Perlin, 'Concept of Order and Comparison with a Diversion on Counter Ideologies and Corporate Institutions in Late Pre-Colonial India', *The Journal of Peasant Studies*, 12:2 and 3, January–April 1985, p. 116.

and usurer who dealt directly with the peasants — the sahukar.[33] He provided the crucial link between the peasantry and the town. His capital was borrowed from big urban merchant capitalists and advanced to the peasants, who were thereby able to pay their taxes to the sultan's collectors. In many cases the peasants themselves hardly handled any money: the necessary payments were made for them by the usurers who managed their financial affairs.

This arrangement became established most strongly in the regions freed from the rule of clan and tribal chiefs through conquest by the sultans. The sahukars established themselves in the villages being settled by peasant lineages — such as the Kanbis — which were expanding into these conquered areas under the protection of the state. The Kanbi leaders of a village would have made arrangements with a sahukar to convert the necessary produce into cash so as to pay the land tax, and advance them cash to make occasional outside purchases. At that time the sahukar would have been viewed as a kind of superior servant of the dominant community, performing a vital function, but without any great power in the village.

During this period there was an ever-growing demand for agricultural products to supply both the expanding towns and the demands of foreign trade. Grain and other foodstuffs, cotton, ghee, indigo and hides found a ready market.[34] This surplus was extracted to a large extent through the operation of usurers' capital. The capital needed to finance such an expansion came from the trading profits of the merchant class, which was flourishing at this time. Merchant-kings of Cambay commanded fleets of ships which carried the products of western India, such as cloth, indigo and opium, to Arabia, East Africa, Bengal and South-East Asia. Cotton cloth — considered to be the best in Asia for quality and durability — was woven in the heartland of Gujarat. Merchants maintained a strong control over both the production and producers. Artisans were bound by an advance, and a merchant had a monopoly over the products of particular groups of artisans. Only rarely were the artisans paid wages; most advances were in the form of materials and

[33] The word *sahukar* is first heard around this time, suggesting that a term was needed to describe a function that had become important in society. Information from the linguist Harivallabh Bhayani, Ahmedabad.

[34] A.M. Shah, 'Social Structure and Change in a Gujarat Village', unpublished Ph.D. thesis, University of Baroda, 1964, p. 24.

foodstuffs.[35] Other exports from Gujarat included rice and other foodgrains, as well as luxuries, such as teak furniture, weapons and jewellery.[36] In return huge quantities of gold and silver flowed into Gujarat in payment.[37] A portion of this wealth was loaned to local sahukars to finance the peasants and to encourage the extension of agriculture and raise its productivity.

IV

These processes were taken a stage further under the Mughals, who brought Rajasthan and Gujarat under their rule in the sixteenth century. Rajasthan was conquered by Akbar in the period after 1560, and the Rajput rulers, with the exception of the Ranas of Mewar, were forced to accept the suzereignty of the Mughal emperors. Gujarat was conquered in 1573, becoming a province (*suba*) of the Mughal empire, with the provincial capital at Ahmedabad. Both the Mughals and the Rajput kings encouraged the expansion of trade and usury in their domains. This was particularly notable in the case of Rajasthan, where merchant and usurer capital was less developed at the time. The rulers of Amber, for instance, set up commercial marts and encouraged many Baniyas to establish businesses in their state. Trade routes were protected, with states providing armed guards for trading caravans when needed. If traders were looted, the ruler often made efforts to have their property restored or compensated them. Officials were ordered not to harass traders or take excessive dues from them.[38] Certain Baniyas were given the right to procure grain from the countryside and sell it in the markets at prices which could be controlled by the state in times of drought.[39] Many Baniyas settled in the Shekhavati region, an area which became known for the wealth of its Baniya magnates.[40] These magnates

[35] Surendra Gopal, *Commerce and Crafts in Gujarat: 16th and 17th Centuries*, New Delhi, 1975, pp. 229–35.

[36] M.N. Pearson, *Merchants and Rulers in Gujarat: The Response to the Portuguese in the Sixteenth Century*, Berkeley, 1976, pp. 8–20.

[37] S. Gopal, *Commerce and Crafts*, p. 5.

[38] B.L. Gupta, *Trade and Commerce in Rajasthan*, Jaipur, 1987, pp. 84–5, 138 and 234–6.

[39] Ibid., pp. 140 and 164.

[40] B. Bhargava, *Indigenous Banking in Ancient and Medieval India*, pp. 213–16.

provided large loans to rulers, and some acted as ration suppliers and paymasters of the state armies. Jagirdars were required to protect the local sahukars; if a usurer was robbed a jagirdar could even be made to compensate him.[41]

In both Gujarat and Rajasthan the new state bureaucracies tended to be dominated by Baniyas. They were favoured for their literacy and their accounting skills, and also because they lacked any family ties with Mughal or Rajput noblemen. In Amber state, for example, most of the *amils* and *amins* in charge of *parganas* were Baniyas — Brahmans, Kayasthas and Khatris came a poor second.[42] The *potadar*, or pargana treasurer, was invariably a Baniya. Certain Baniya families often monopolized offices, in particular parganas. The officials were responsible for encouraging the cultivation of all arable land in their pargana, and for collecting taxes from the peasantry. They had to organize state loans (*taqavi*) for the peasants. The Baniya officials were able to utilize their caste contacts with Baniya bankers for this purpose. They were also responsible for settling disputes among jagirdars and peasants, and were meant to prevent zamindars from oppressing their peasants.[43] Many of these officials were also involved in trading on the side.[44]

At the time of tax collection, the normal procedure was for an official to invite a Baniya grain dealer or one of the Baniyas with credit operations in a village to come to the village after the harvest was in and purchase the state's share of the crop. The state thus realized its taxes in cash without the peasants having to market the crops themselves. Records from Amber state for the period 1677 to 1744, show that 77 per cent of the state's share of the crop was sold in the village this way.[45] The state officials were normally given a bill of exchange (*hundi*), which could be encashed with a Baniya banker at the pargana headquarters. This banker would treat the sum as an amount advanced on credit to the local grain dealer or usurer, and he would be repaid after the local dealer had sold the crop. In many cases the pargana officials did not demand cash on

41 S.P. Gupta, *The Agrarian System of Eastern Rajasthan* (*c.* 1650–*c.* 1750), Delhi, 1986, p. 229.

42 Ibid., p. 174.

43 Ibid., pp. 141 and 166–75.

44 S. Gopal, *Commerce and Crafts in Gujarat*, pp. 153–8, 201–04 and 236.

45 S.P. Gupta, *Agrarian System of Eastern Rajasthan*, pp. 92–100.

the spot, but merely took a fresh consolidated hundi for the tax proceeds of the entire pargana, which was sent to the treasury at the headquarters city. Hundis for the entire state would then be presented to the great bankers of the state, who were in any case major lenders to the ruler, and the accounts would be settled accordingly.[46] At every level, therefore, the official administrative hierarchy was matched by the hierarchy of merchant capitalists. With Baniyas dominant in both spheres, friction was minimized.

One of the duties of the pargana officials was to encourage the extension of cultivation in the areas under their charge. The favoured way of doing this was to arrange for usurers' credit for peasants who were willing to settle a new village.[47] Once a Baniya had been found who was prepared to sponsor such a project, houses could be built, land improved with fertilizers, wells dug, and bullocks and equipment purchased, all on credit. Often credit was extended to the village as a collective body to carry out communal projects, such as constructing a village pond. In some cases a single usurer took on the responsibility for the credit of a whole pargana.[48] More commonly, several Baniyas of a town or large village divided up the business of the surrounding villages amongst themselves in a way which minimized competition. Advances were given against crop security, and the peasants were required to hand over the harvested crop to their sahukar and to nobody else.[49] Credit was given both in cash and kind, and the interest rates were high. A seventeenth century Jain traveller reported that loans sometimes rose through compound interest to five times the original sum advanced.[50]

The system also facilitated the extension of tax-farming. Although tax-farming was not permitted officially by the Mughals, the practice was extensive even during the early years of their rule. Jagirdars in particular sold the right to collect taxes to local men of position. As jagirdars were as a rule transferred after three or four years, they found this the most suitable way to realize taxes. The practice gradually

[46] G.D. Sharma, 'Indigenous Banking and the State in Eastern Rajasthan', pp. 432–41.

[47] S.P. Gupta, Agrarian System of Eastern Rajasthan, pp. 119–22 and 171.

[48] Dilbagh Singh, 'The Role of Mahajans in the Rural Economy in Eastern Rajasthan during the Eighteenth Century', *Social Scientist,* May 1974, p. 22.

[49] F. Pelsaert, *Jahangir's India: The Remonstrantie of Francisco Pelsaert,* translated by W.H. Moreland and P. Geyl, Cambridge, 1925, p. 16.

[50] B.L. Gupta, *Trade and Commerce in Rajasthan,* p. 15.

extended to the officials in charge of parganas, and then to the *sarkars*. By the early eighteenth century the practice had become widespread in many parts of the Mughal empire and in Rajasthan, with officials at all levels bidding in advance for the right to collect taxes. Once the money had been paid or guaranteed by a wealthy banker, the tax-farmer was left to collect the taxes as he pleased. The normal method was to give out subsidiary tax-farming rights to the local gentry, who made their own arrangements with village headmen to collect the taxes from the peasantry. The rise of tax-farming went hand-in-hand with the extraction of an increasingly greater surplus from the peasants.

During the seventeenth century merchant capital began to move increasingly into tax-farming. Rulers found it generally easier to deal directly with the hierarchy of merchants and usurers, rather than rely on their own officials to realize the revenue. The merchants and usurers were able to collect the taxes through their own network with greater efficiency. Many of the new tax-farmers were Baniya bankers who relied on their own clients, the local Baniya grain dealers and usurers, to collect and market the crops. In this way many Baniyas enriched themselves in an often spectacular way. In western India, this was particularly the case in Rajasthan, where Baniya tax-farmers were in league with state officials in both oppressing the peasants and swindling their rulers.[51]

Despite this oppression, the Baniya usurer seems to have generally been regarded by peasants as an asset — rather than a leach — to their communities. A case was reported from Jaipur state in 1759 in which the brother of a village headman murdered the Baniya usurer of the village after an argument over land. The villagers were extremely angry at thus losing their source of credit, and in a meeting of the panchayat an order was given to the headman to quit the village. The headman petitioned the ruler in Jaipur to have him reinstated as he himself was innocent of the crime. He promised a gift of Rs 151 if the judgement went his way. The local authority, the amil, was accordingly told to restore him. When the villagers heard this verdict they sent their own petition to the ruler, stating that they had lost their 'bohra' (sahukar) because of this murderer, and they threatened to desert the village as a body if he were allowed

[51] See the report by J. Steward, Resident in Jaipur, 26 November 1821 and 25 May 1822, NAI, F.D. Pol, 29 December 1821, 11–19.

to resettle there. The ruler then reversed his earlier decision and ordered the headman to be arrested.[52]

In other cases from eighteenth century Rajasthan we find villagers taking the side of their usurer against the local Rajput overlord. In 1742 an entire village community complained to the amil of a pargana of Jaipur state that the zamindar was harassing their mahajan, . who provided them with seed and manure on credit. The zamindar was warned by the amil not to harass the usurer. In another case, the peasants of a village complained to the amil that their mahajan had not been repaid money owed to him by their zamindar for twenty years. The amil ordered that the money be repaid.[53]

V

So far we have not examined the part of western India which stretched from Khandesh in the north to around Kholapur in the south, a region we may call 'the western Deccan'. Agriculture tended to be concentrated here in the fertile river valleys which divided the uplands of the Deccan plateau. The chief peasant community was that of the Kunbis, or Marathas. The upland regions were the preserve of pastoralists, such as the Dangars, or were controlled by clan groups, such as the Bhils, Kolis and Ramoshis. Unlike in Rajasthan and Gujarat, there was no history of Rajput rule or Baniya mercantile activity.

The rulers of this region were, from the mid-fourteenth century to 1636, the Nizam Shahis, based at Ahmadnagar.[54] Like the Gujarat sultans, the nizams encouraged the expansion of settled agriculture at the expense of pastoralism and shifting cultivation.[55] In the sixteenth century the kingdom was divided into districts and sub-districts which were placed under officials and jagirdars. The officials tended to be Brahmans; the jagirdars were from leading Maratha

[52] Dilbagh Singh, 'The Role of Mahajans in the Rural Economy in Eastern Rajasthan During the 18th Century', *Social Scientist,* May 1974, p. 26.

[53] Ibid., pp. 23 and 25.

[54] Andre Wink, *Land and Sovereignty in India: Agrarian Society and Politics under the Eighteenth-century Maratha Svarajya,* Cambridge, 1986, p. 52.

[55] Frank Perlin, 'Of White Whale and Countrymen in the Eighteenth Century Maratha Deccan: Extended Class Relations, Rights and the Problem of Rural Autonomy under the old Regime', *The Journal of Peasant Studies,* 5:2, January 1978, ft. 78, p. 234.

families. They were responsible for collecting taxes, dealing probably with intermediaries who in turn dealt directly with the peasants. Under Malik Amber (1605–1626), taxes began to be collected directly from the village community, as was the case with the Mughals under Akbar. The officials who dealt chiefly with the peasants under this new system were Brahmans, known as *deshpandes.*[56]

The merchants and usurers who formed an integral part of this system came largely from the Brahman and Kunbi communities. They were known as *setes, mahajans* and *vanis.* They often had one foot in agriculture, holding land in their ancestral village. Unlike in Rajasthan and Gujarat, the usurers did not therefore form a distinct caste. The state recognized the hereditary right of these families to control the *peth*, or market, in their home town or large village, and they were respected members of their community.[57] In some cases, they acted as village headmen.[58] The Maharashtrian *sant*, Tukaram (*c.*1608–1649), was from such a family. Kunbi by caste, Tukaram's family were the hereditary mahajans of Dehu, a village in the fertile valley of the Indrayani river near Pune. The family owned a piece of prime agricultural land on the banks of the river. They were thus farmers as well as merchant-usurers. After Tukaram fell deep in debt as a result of the famine of 1629, the village council stripped him of his position of mahajan.[59] It would appear that these merchant-usurers were involved fully in collecting taxes for the state. One of Tukaram's *abhangs* compares God to a collector of taxes who is also a usurer. When the peasants fail to repay more than 10 per cent of their debts, he confiscates their property in a ruthless manner.[60]

The Mughals, who conquered the western Deccan in 1636, attempted to undermine the power of the Maratha chiefs and Brahman officials. This provoked the revolt of the Maratha leader, Shivaji Bhosle, in the late seventeenth century. In Shivaji's new kingdom,

[56] *Gazetteer of the Bombay Presidency,* vol. XVII, *Ahmadnagar,* Bombay, 1884, pp. 388 and 395. Wink, *Land and Sovereignty,* pp. 53 and 260–5.

[57] A.R. Kulkarni, 'Village Life in the Deccan in the 17th Century', *Indian Economic and Social History Review,* 4:1, March 1967, p. 48.

[58] Hiroshi Fukazawa, *The Medieval Deccan: Peasants, Social Systems and States, Sixteenth to Eighteenth Centuries,* New Delhi, 1991, p. 184.

[59] Dilip Chitre (ed. and translator), *Says Tuka: Selected Poetry of Tukaram,* New Delhi, 1991, pp. X–XI.

[60] Ibid., p. 46.

Brahmans consolidated their position at every level. As officials in charge of tax collection, they were expected to pay a portion or the whole of the taxes in advance, which meant that they had to raise capital from financiers.[61] The higher officials made contracts with local Maratha chiefs, petty officials, merchants, village headmen and usurers, all of whom dealt directly with the peasantry. A few Brahman merchant-moneylenders who had small local businesses in the seventeenth century rose in the eighteenth century to become great bankers financing tax collection over large areas. For instance, the Patwardhans, a Brahman family of Nasik with a small moneylending business in the early eighteenth century, forged close links with the Peshwas and were encouraged to migrate to Pune in 1729. By the 1740s they had an annual turnover of about Rs 65 lakhs, and ran branch offices in Nasik, Bombay, Aurangabad and Bijapur. Their chief business lay in financing tax collectors and other businessmen, lending to the state, and discounting hundis. They also took direct responsibility for the taxes from several parganas.[62]

Below these great bankers were district-level usurers who lent to the local Maratha gentry as well as to the peasantry. The gentry often settled their debts by allowing these usurers to take the crops of subordinate peasants. In this way they built up their businesses over an extensive area.[63] The Ashtikars of Chas, in Junnar sarkar, are an example. They had credit dealings in at least forty villages in over six sub-districts (*tarfs*). Besides contracting to pay taxes, certain members of the family were employed as government tax-collectors (*kamavisdars*). Through their usury they managed to gain possession of a considerable amount of land in their own names, which they gave out on a share-cropping basis.[64] Financial dealings were a central element in the exercise of rural dominance by the Brahmans and Kunbi-Marathas alike. As Frank Perlin argues:

> Credit was a means of entering the tenurial structure as well as of obtaining heritable land and the control of land nominally held by others. It was also a means of obtaining access to cheap labour in the form of a contracted hold over the freedom of a person to dispose of himself where he wills.

[61] Wink, *Land and Sovereignty*, pp. 296–303.

[62] G.T. Kulkarni, 'Banking in the Eighteenth Century: A Case Study of a Poona Banker', *Artha Vijnana*, 15:2, 1973, pp. 180–90.

[63] Ibid., p. 191 and ft. 66, pp. 232–3.

[64] Perlin, 'White Whale', pp. 198 and 214.

This does not mean that these were the prime motives of such people when indulging in credit, but they were certainly the result, and were of considerable importance in their effects on the countryside.[65]

The situation in the western Deccan was thus qualitatively different to the situation in Rajasthan and Gujarat, where the Baniyas who dominated rural usury did not on the whole build up landed estates.

At the village level this led to the emergence of a class of intermediaries — notably village headmen, village accountants (*kulkarnis*) and merchant-moneylenders — who owned land and paid land-tax, but who did not actually cultivate themselves. They gave out their lands to share-croppers who were in debt to them, and took a large proportion of the crops which they themselves marketed.[66] The profits from this enterprise were high, making possible the construction of large stone mansions (*vada*), the ruins of which can be seen in the villages of the region to this day.

Some of the village usurers were Baniyas who originated from other parts of western India. Gujarati Baniyas first appeared in the western Deccan at the time of Malik Amber's rule in the early seventeenth century, when tax began to be collected directly from the villages.[67] A steady migration continued throughout the seventeenth and eighteenth centuries. Until the mid-eighteenth century they appear to have been no more than humble village usurers. From the 1740s onwards some big Baniya bankers of Gujarat started establishing businesses in Pune itself and were soon counted amongst the largest financiers of the city.[68] The Gujaratis were followed by Rajasthani Baniyas who failed, however, to become as well established in the eighteenth century. It appears that the Peshwas had some antipathy to the Rajasthanis, and it is alleged that they forced some of the Jain temples of the Rajasthani Baniyas to be converted into places of Brahmanic worship.[69] Whatever the reason for the animosity, the consequence was that the Rajasthanis who were

[65] Ibid., p. 184.

[66] Ibid., pp. 189–90.

[67] Hiroshi Fukazawa, 'Agrarian Relations: Western India', in Dharma Kumar (ed.), *The Cambridge Economic History of India*, vol. II, Cambridge, 1982, pp. 182–3.

[68] D.R. Gadgil, 'Immigrant Traders in Poona in the Eighteenth Century', *Artha Vijana*, 1:1, March 1959, p. 16; Makrand Mehta, 'Indian Bankers and Political Change: A Case Study of the Travadis of Surat, *c.*1720–*c.*1820', *Studies in History*, 4:1, 1982, p. 49.

[69] *Gazetteer of the Bombay Presidency*, vol. XVII, *Ahmadnagar*, Bombay, 1884, pp. 78–9.

attracted to the region by the high profits being made there settled in large numbers away from Pune, in particular around Bamburi in Ahmadnagar district.[70] Besides lending to the peasants, these Gujarati and Rajasthani Baniyas stood surety for the land tax due from certain villages, and in return were allowed to collect the crops of the peasants, handing over a part of the proceeds to the government as land tax, and keeping a part as interest on their loans.[71]

This latter system was known as *manoti* (surety). The *manotidar* was a state-recognized usurer who besides giving on credit to clients in the normal way also made a formal agreement with the state to pay his client's taxes as they fell due. Baniyas, Brahmans and Maratha-Kunbis all acted as manotidars. The state considered the manotidar to have the first right on the harvest of the peasants, and he could be given state assistance to collect the crops. He was allowed a commission — which varied considerably at different times.[72] Once appointed, the manotidar could not withdraw from the arrangement except with state approval. He could be dismissed for breaking the conditions of the agreement. If this happened, the manotidar was not given any further state assistance to collect his dues from the peasants. If the peasants wanted to change their manotidar, and they made a good case, the state could agree as long as they made good his claims.

As the Marathas expanded their rule beyond the Deccan, this system was applied elsewhere. In the regions of Gujarat under Maratha rule, the peasant leaders of the settled, or *rasti*, villages agreed to pay an agreed sum of tax, and provided the surety of a manotidar, who guaranteed payment of the amount. The manotidar was usually a local moneyed man, such as a *desai*, tax official or village moneylender, and he was generally a Baniya by caste. He often charged exorbitant rates of interest from the peasants for this service.[73]

[70] *DRC*, p. 23.

[71] Fukazawa, 'Agrarian Relations: Western India', p. 183.

[72] Fukazawa mentions commissions ranging from 2 per cent to 25 per cent. Ibid., p. 187.

[73] Rates of 40 per cent per annum were found in Bharuch Pargana in the late eighteenth century. G.D. Sharma, 'Land Revenue and Early British Experiments in South Gujarat during the Second Half of Eighteenth Century: A Case Study of the Pargana of Broach', *Journal of the Gujarat Research Society*; see also Raj Kumar Hams, 'Agrarian Economy of Broach District (Gujarat) During the First Half of the Nineteenth Century', unpublished Ph.D. thesis, M.S. University, Baroda, 1987, pp. 8–12; A.M. Shah, 'Political System in

In clan-dominated regions, the system provided a means by which cultivators could be encouraged to settle and pay regular taxes. A usurer agreed to stand surety for certain families, and he then financed their agriculture, advancing money to them to dig wells, construct regular fields, acquire equipment and livestock, and providing for any other needs. He also paid their taxes, taking from them a large proportion of their crops. In the Jhallawar area of southern Rajasthan, for example, manotidars were appointed to stand surety for the cultivators, many of whom were Sondhias, Bhils and Minas. Most of the manotidars were small Baniyas, though a few rich peasants and village headmen also acted in this capacity. They were allowed to collect from the peasants in any way they pleased, and often acted oppressively.[74]

In the coastal region of Maharashtra, known as the Konkan, a different system of power based on usury emerged during this period. Here, Marathas and the Muslim gentry were granted rights by the sultans of Bijapur in the early sixteenth century to farm the taxes of villages. Such grantees were known as *khots*. By the seventeenth century the khots had managed to make their grants hereditary, and under Maratha rule, many Brahman families bought out the original holders. They provided credit to peasants to encourage them to settle their villages, with a condition that they provide free labour to reclaim land from the sea and estuarine swamps and construct paddy fields. The khots consolidated their own private estates on which the peasants were required to labour for no payment. For instance, in the area which is now Ratnagiri district, the khots demanded that the peasants provide free labour for them one day in eight. In time, the amount of free labour taken increased, and further services were demanded, such as the carrying of khots in palanquins. The khots thus became a powerful class of gentry whose power stemmed from taking labour from indebted peasants. In western India, this particular system of power — which was found commonly in eastern and southern India — was found only in the rice-growing coastal belt, which stretched north to around Surat.[75]

Eighteenth Century Gujarat', *Enquiry*, 1:1 (new series), Spring 1964, pp. 91–2; Alice Clark, 'Central Gujarat in the Nineteenth Century: The Integration of an Agrarian System', unpublished Ph.D. thesis, University of Wisconsin, 1979, p. 53.

[74] H.B. Abbott, *Report on the Revenue Settlement of Jhallawar*, 1885, pp. 24–32.

[75] This paragraph is based on Wink, *Land and Sovereignty in India*, pp. 359–65. It has

VI

Usury, trade and speculation were all hazardous enterprises, in which capital was put at risk in the hope of future gain. To counter this, merchants and usurers tried to stabilize other aspects of their lives, in particular their relationship with the ruling classes. Although rulers needed their wealth, and as a result gave protection to them, this protection had clear limits and could be withdrawn, for instance, during times of dearth if they tried to profiteer in an unscrupulous manner. The threat of arbitrary expropriation of their property and capital by members of the ruling class was always like the sword of Democles over their heads. Merchants and usurers thus preferred the predictable and the stable in political life and were rarely politically radical.[76] This is illustrated in the reminiscences of the early seventeenth century Baniya merchant, Banarasidas, which I will examine in some detail in this section. Although he carried on his business in Jaunpur in the Gangetic plains, his experience as a merchant under Mughal rule must have had many features in common with the experience of merchants throughout the Mughal empire, including western India.

In 1605 Banarasidas was engaged in business in Jaunpur when news came of the death of Emperor Akbar. Such was his shock and fear that he fainted. There followed, in his words:

> ... a great upheaval in the city. People closed their doors and the shopkeepers did not sit in the market. Whatever good clothes and ornaments people had, were all buried under the earth. Gold and silver were buried at one place and the cash at another place of safety. All the people purchased arms, and men put on thick clothes. They wrapped themselves in rugs and thick sheets. Even women wore coarse clothes. Consequently, it became difficult to distinguish between high and low, and the rich and the poor resembled one another. Robbers and thieves were not to be seen, yet people were frightened.

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many parallels with the system in Bihar examined by Gyan Prakash, *Bonded Histories: Genealogies of Labour Servitude in Colonial India,* Cambridge, 1990. In the area north of Bombay to Surat, the gentry was not known as khots; but the principle of servitude based on debt prevailed. See Jan Breman, *Patronage and Exploitation: Changing Agrarian Relations in South Gujarat,* Berkeley, 1974.

[76] Elizabeth Fox-Genovese and Eugene Genovese, *Fruits of Merchant Capital: Slavery and Bourgeois Property in the Rise and Expansion of Capitalism,* New York, 1983, pp. 38–9 and 76.

After ten days news came that Jahangir had ascended the throne, and the panic subsided as once again the people felt secure. There were celebrations.[77]

In this instance, the consuming fear of the merchants was that there would be a period of turmoil in which business would suffer, and in which they could well be looted. The death of a ruler in even a distant place could cause a crisis, as in Surat city in 1678, when news came of the death of the ruler of Jodhpur. It was feared that there would be disturbances in the kingdom which lay across the caravan route from northern India and a consequent disruption in trade. For a time there was a collapse in business confidence.[78] Merchants were always keenly attuned to any possible danger, being ready to take speedy and appropriate action to save their businesses and their capital. If necessary they had to conceal their wealth or flee at night. In the *Baburnama*, the Mughal emperor, Babur, remarked on how in India towns could be vacated at a moment's notice.[79]

This insecurity is revealed clearly in the history of Banarasidas' family. Banarasidas tells how his grandfather, Muldas, served as the household provisioner of a Mughal jagirdar, and under his protection was able to build up his business in usury. When Muldas died in 1556, the jagirdar, who was away, returned hurriedly, turned the dead Baniya's wife and son out of their house and seized their property. The son, Kharagsen, migrated with his mother and with great difficulty rebuilt the family business from scratch under a new patron. When this patron died in 1569, Kharagsen fled in disguise. Some years later, in 1598, while engaged in business in Jaunpur, Kharagsen and some other merchants were arrested by the jagirdar of the place. They were imprisoned and ordered to hand over their valuables. When they demurred they were 'almost thrashed to death with thorny whips' and then released. They decided to flee the place, taking their possessions with them. Later, when he heard that the jagirdar had been transferred, Kharagsen returned to Jaunpur and restarted his business. Only a year later, however, hostilities in the region led to the fear that the town was about to

[77] R.C. Sharma (trans. and ed.), 'The Ardha-Kathanak', *Indica*, 7:1, March 1970, p. 66.

[78] K.N. Chaudhuri, *Trade and Civilization in the Indian Ocean: An Economic History from the Rise of Islam*, Cambridge, 1985, p. 169.

[79] Ibid., p. 61.

be looted. The local officials told the merchants that they could not guarantee their safety, and they fled once more. When, after a week, they heard that the crisis had passed, they all returned.[80]

Banarasidas himself continued to run the family business in Jaunpur in the early decades of the seventeenth century. In 1615 the old town governor was replaced by a new one called Aghanur. This man had a notorious reputation, and when the people heard the news they 'fled in all directions'. Banarasidas' family went into hiding and he went away on pilgrimage. While away he heard that Aghanur had killed a large number of people. 'He had arrested engravers, moneylenders, bankers, bullion merchants, jewellers and brokers, all with or without pretext. Some were lashed, some put in fetters, and others kept in dungeons.' Aghanur soon went away to Agra, releasing most of the men. 'But a few very rich men were severely beaten and led away into captivity with him, whether with cause or without any — only Jinnath knows.'[81]

These accounts show how important it was for merchants to enjoy the protection of particular members of the ruling class; if this was lost they could be ruined overnight. The seventeenth century traveller John Fryer noted how the 'banyans' and 'rich brokers' of Surat City had their patrons to protect them. Whenever a merchant approached his patron he was expected to come with a humble demeanour and provide gifts, such as cash or jewels. As Francois Bernier, another traveller, said: 'In Asia, the great are never approached empty-handed.' If the gifts were considered meagre they could be rejected. Acceptance implied that the merchant was a person worthy of association with that nobleman, but if their positions in their respective hierarchies did not accord in an acceptable manner, the gift could again be refused. In return, the nobleman could present a turban or a shawl as a mark of the relationship. The bankers of Surat lent huge sums to Mughal officials, often with little expectation of repayment. In the words of the historian, Douglas Haynes: 'Like gifts, these "loans" bestowed authority on the recipient because they served implicitly to acknowledge the nobleman as a legitimate ruler.' Loans to rulers and officials bought influence and power for merchants and usurers at every level. A merchant who failed to act in this way was viewed with suspicion, for it was an

[80] 'Ardha-Kathanak', pp. 52–62.

[81] Ibid., p. 109.

indication of unacceptable independence. Such merchants were likely to be made the target of arbitrary appropriations.[82]

Francisco Pelsaert, who was in India in the 1620s, noted how merchants had to be careful to never overstep the mark:

> Whatever he may deal in — spices, drugs, fruit, cotton goods, cloth, or anything else — the shopkeeper is held in greater respect than the workman, and some of them are even well-to-do; but they must not let the fact be seen, or they will be the victims of a trumped-up charge, and whatever they have will be confiscated in legal form, because informers swarm like flies round the governors, and make no difference between friends and enemies, perjuring themselves when necessary in order to remain in favour.[83]

By maintaining a good relationship with influential patrons, it was possible for merchants and usurers to counter the harassment of petty nobles and local officials. In Rajasthan it was common for a Baniya usurer to cultivate a relationship with a local Rajput chief, who would, in return for gifts and payments, protect him.[84] If the local chief failed to protect a Baniya and he was looted, the Baniya could appeal to the Rajput's overlord for justice. Cases are recorded from Amber state in which looted Baniyas appealed to the ruler, and an order was given for the local jagirdar to compensate them. In some cases the state restored the sum to the Baniya, and later recovered the money directly from the jagirdar.[85] In obtaining justice in this manner, the Baniya would certainly have kept happy the paramount ruler and various courtly officials with gifts.

As a class, merchants and usurers did not adopt a very critical attitude towards the political system. Banarasidas in his reminiscences was not at all questioning in this respect, even though he and his family suffered frequently from the arbitrary oppression of their rulers. He tended to treat their abuse of power as an inevitable fact of life. In one incident he recounted how he and some companions were accused of forgery by the officials of a small town

[82] This paragraph is based on Douglas Haynes, *Rhetoric and Ritual in Colonial India: The Shaping of a Public Culture in Surat City, 1852–1928*, Berkeley, 1991, pp. 85–7. Bayly also mentions how it was considered prestigious to lend to people of high status — the ambition of the moneylender was to lend to the big landlord or prince. *Rulers, Townsmen, Bazaars*, p. 408.

[83] W.H. Moreland and P. Geyl (trans.), *Jahangir's India: The Remonstrantie of Francisco Pelsaert*, Cambridge, 1925, p. 63.

[84] K.R. Qanungo, *Studies in Rajput History*, Delhi, 1960, p. 59.

[85] S.P. Gupta, *Agrarian System of Eastern Rajasthan*, p. 229.

which they were passing through. When, after some difficulty, they were able to prove that they were respectable businessmen, the officials asked for forgiveness. Banarasidas replied that as officials they had every right to act as they had done; all that had happened was due to their past deeds; the inevitable had happened; no one was to blame. Later, he visited the officials and, to establish friendly relations, presented them with perfume.[86] The narrative, written long after the event when Banarasidas would have been free to speak his mind, does not convey any sense of anger against such officials.

The merchant classes inhabited a world in which the values of the market were not accorded the primacy they enjoy in capitalist society. The ruling values were aristocratic, with the primary aim in life being to maintain honour. Merchants in their profession as businessmen could not occupy any central position in such a hierarchy of honour. They were expected to exist in a sphere considered respectable but inferior, that of banking, trade and usury. Because of this, merchants and usurers who had made great fortunes and then developed political ambitions tended to distance themselves from their fellows and assume an aristocratic way of life, rather than attempt to assert any supremacy for mercantile values.

In Maharashtra we have seen how locally dominant groups, such as Brahman landholders and officials and peasant chiefs, rose to power through the practice of usury. Also, we have seen how in Rajasthan and Gujarat leading officials were from the same Baniya community as the merchants and usurers. Once in power these people invariably distanced themselves from mercantile values. Maratha chiefs whose control over territories depended on the practice of usury claimed the status of Rajputs.[87] The Baniyas who occupied top positions in the state bureaucracies of Rajasthan and Gujarat were known as *mutsadis*, a title that distinguished them from ordinary Baniyas. Mutsadis imitated the extravagant lifestyle of the Rajputs, dressing in ostentatious costumes and consuming in a luxurious manner. They often ate meat and drank liquor, practices which were anathema to most Baniyas.[88] The wives and daughters of mut-

[86] 'Ardha-Kathanak', pp. 111–13.

[87] Rosalind O'Hanlon, *Caste, Conflict, and Ideology: Mahatma Jotirao Phule and Low Caste Protest in Nineteenth Century Western India*, Cambridge, 1985, pp. 16–47.

[88] See the description of the mutsadi of Alwar state, Nand Ram, in 'Narrative of a Tour by Lt. Colonel Lockett, April–June 1831', NAI, F.D. 1831, Miscellaneous Records, No.

sadis observed *parda*, and never allowed themselves to be seen in the streets. Many claimed to have descended originally from the Rajputs.[89] In Banarasidas we thus have a description of Nema Sahu, a prosperous merchant of Agra, who became 'intoxicated with prosperity'. His house came to resemble that of a prince, with poets and bards employed to sing his praises day and night, while he indulged himself in carnal pleasures.[90]

Humble merchants and usurers, for whom the prospect of such elevation was remote, tended to have more mundane ambitions. A proverb from Rajasthan reveals a common Baniya fantasy:

> Oh! let the Thakur be a minor and all the power reside in the zenana ladies. Let the village produce two crops in a year. The Baniya then thrives. Let justice be dealt from his house and all food stuff supplied to the palace from his shop. God grant me these things, and I shall not ask for anything more.[91]

The Baniya's desire is that having achieved the support of a patron — the Rajput Thakur — the man will then die, leaving a malleable child heir. He can then overcharge for goods supplied to the Thakur's residence. He also hopes that the village which is thus in his power has a prosperous agricultural base, so that he can appropriate large quantities of the peasants' crops. The ideal is a somewhat limited one, lacking, to say the least, any depth of vision.

Many small merchants and usurers had more lofty ambitions, but these tended to express themselves outside the sphere of politics. Many, like Banarasidas, saw their chief purpose in life as the search for the divine. This quest so preoccupied him at one time that his elders had to warn him that his intense study of the scriptures was bringing harm to his business dealings — such an activity was really only for Bhats and Brahmans — and that as a Baniya he should

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272; N.K. Singhi, 'A Study of Jains in a Rajasthan Town', in M. Carrithers and C. Humphreys, *The Assembly of Listeners: Jains in Society*, Cambridge, 1991, p. 142; interview with Jatan Raj Mehta, Merta, Nagaur district, Rajasthan, 20 April 1987.

89 *Report on the Census of Marwar and Mallani*, vol. II, *The Castes of Marwar*, Jodhpur, 1894, pp. 113–18. This report mentions that Akbar's great minister, Todar Mal, was from the mutsadi family of the Lodha Baniyas of Rajasthan. On the Baniyas and parda, Forbes gives a story of how some Rajputs of fifteenth century Gujarat were shocked to see a Baniya women sitting in an 'indecent posture', which meant, in effect, not observing parda. A.K. Forbes, *Ras Mala*, pp. 256–7.

90 'Ardha-Kathanak', p. 114.

91 Phiroze Kothawala, *Census of Marwar State 1911*, Part I, *Report*, Jodhpur, 1916, p. 34.

sit in his shop, or would end a beggar. Thereafter, he spent more time on his trade, making a reasonable success of it. Banarasidas does not give the impression that this success meant very much to him. More important was the equanimity he believed he managed to eventually attain by the realization that all the world was a manifestation of god.[92]

Such concerns had little to do with the sphere of politics, and on the whole, the Mughals were careful to ensure that things stayed this way. They tried not to allow religion to become an issue of political contention. They were careful not to offend the religious sensibilities of powerful non-Muslim subjects. Jahangir banned the slaughter of bullocks and cows so as not to offend 'the Hindu rajas and banians'.[93] If, however, rulers disregarded such accepted policies, religious concerns could become political. This happened in Surat city in 1669. In 1665–1666, Aurangzeb appointed a reactionary theologian to act as the *qasi*, or civil judge, of Surat city. He began a campaign of converting merchants to Islam. Several Baniya merchants were forced to become Muslims. The turning point came when a Baniya clerk serving in the qasi's establishment committed suicide after being circumcised by force. Eight thousand Baniyas left the city in protest in September 1669, and went to Bharuch. All trade and business in the city came to a halt. The qasi threatened that unless they returned he would destroy the Baniya's temples and would circumcise any who remained in Surat. The Baniyas were defiant, saying that they would go to the emperor for justice. A lengthy correspondence followed between the merchants, the qasi and Aurangzeb. In the end the emperor dismissed the qasi and wrote a letter to the Baniyas promising them security and greater religious freedom. They then returned to Surat.[94]

This incident came at a time when the merchants' confidence in Mughal rule had already been shaken. In 1664, the Mughal army had failed to prevent Shivaji from raiding Surat and looting its merchants and bankers. Shivaji was to repeat the exploit in 1670. Surat lay at the heart of a great mercantile network stretching over the whole of India, and it is likely that these events had a profound

[92] 'Ardha-Kathanak', pp. 62–7 and 116–19.

[93] Pelsaert, *Remonstrantie*, p. 49.

[94] G.Z. Refai, 'Anglo-Mughal Relations in Western India and the Development of Bombay 1662–1690', unpublished Cambridge Ph.D. thesis, 1967, pp. 128–35.

impact on the imagination of many merchants. According to Karen Leonard, the Mughal failure to protect bankers and merchants of the empire in an adequate manner led them to gradually extend their support to rivals, such as the Marathas, or the emerging European powers. She sees this as the chief cause of the decline of the Mughals.[95]

Christopher Bayly has argued that the breakdown of the central power of the Mughal state left the mercantile classes with much greater power. They were the only group with the ability to command resources on a sub-continental scale. This meant that although they were nominally the subjects of the various local rulers who succeeded the Mughals, their power was such that any local threat could be met by transferring their business to another centre in which the local ruler was more amenable. Thus, if a ruler tried to force merchants to release hoarded foodgrains or demanded large loans on unfavourable terms, they could simply close the bazaar or desert the state en masse. Bayly quotes the Frenchman, Law de Lauriston:

> They [the bankers] appear without pretensions at the darbars, but they exercise great influence there; one word of a renowned banker will carry more weight than the most eloquent speech of another, whosoever he be, because this word holds fast to a chain which extends everywhere.[96]

Some examples indicate how much the mercantile community had grown in power in the eighteenth century. In the Rajput state of Jaisalmer in Rajasthan, the king, Mulraj, tried in 1774 to impose a tax on all monied men. The Oswal Baniya community refused to pay. Some of them were seized and tortured. They paid, but immediately on release took an oath to never again look on Mulraj's face. Whenever he passed through the streets of his capital, the Oswals closed their shops and retired into the interior of their houses so as to avoid seeing him. This went on for years. Mulraj eventually capitulated, going himself to the leader of the Oswals and spreading his scarf before him — a sign of submission — and asking for forgiveness. He gave them an oath in writing that he would never again impose such a tax on the Baniyas if they would agree to a lesser tax. The Oswals accepted this compromise.[97] Many financiers

[95] Karen Leonard, 'The "Great Firm" Theory of the Decline of the Mughal Empire', *Comparative Studies in Society and History*, 21:2, April 1979, pp. 152–63.

[96] C.R. Bayly, *Merchants, Townsmen and Bazaars*, pp. 170–2.

[97] J. Tod, *Annals and Antiquities of Rajasthan*, Delhi, 1971, vol. II, p. 1250.

began to employ their own private armies to protect their trading caravans and transfers of bullion.[98] These could be turned against the state, as in Maharashtra in 1801, when the Peshwa tried to cancel a tax-farming arrangement with some bankers. The bankers warned him that they would resist with a force of arms, and he had to back down.[99]

The power of village usurers also grew. In Rajasthan, Baniya creditors purchased hereditary village headmanships and other offices whenever they came up for sale. In 1755, for instance, a mahajan of Lalsot in Jaipur state purchased the office of the *chaudhari* of five villages. In the same year Motiram Mahajan bought the office of the *patwari* (accountant) for Chatsu for Rs 1500.[100] In Gujarat, Baniya usurers were recognized as desais, such as the Baniyas of the small town of Matar who had their businesses in the surrounding villages. They were made responsible for tax collection under Maratha rule.[101]

To what extent were the merchants and usurers bidding for power in their own right? Lakshmi Subramanian has argued that in the case of Surat city, the Baniyas had by the 1750s become so powerful that in 1759 they were able to invite the British to take over Surat castle, and then rule in alliance with them in a new 'Anglo-Baniya order'.[102] This situation continued until the early years of the nineteenth century, when the British, who were expanding their territorial power in western India, ceased to rely on Baniya support and finance in any central way.[103] This is open to question. Michelguglielmo Torri has argued against Subramanian that the British decided on their own initiative to capture Surat castle in 1759, and that the merchant community — which in this case included Muslims and Parsis as well as Baniyas — merely acquiesced. He shows

[98] *The Rajputana Gazetteer*, vol. I, Calcutta, 1879, p. 91.

[99] Wink, *Land and Sovereignty in India*, p. 339.

[100] These and other examples are given by Dilbagh Singh, 'The Role of Mahajans in the Rural Economy of Eastern Rajasthan during the Eighteenth century', *Social Scientist*, May 1974, p. 26.

[101] A.M. Shah, 'Social Structure and Change', p. 31.

[102] Lakshmi Subramanian, 'Capital and Crowd in a Declining Asian Port City: The Anglo-Bania order and the Surat Riots of 1795', *Modern Asian Studies*, 19, 2, April 1985.

[103] Lakshmi Subramanian, 'Banias and the British: the Role of Indigenous Credit in the Process of Imperial Expansion in Western India in the Second Half of the Eighteenth Century', *Modern Asian Studies*, 21, 3, July 1987, pp. 505–10.

that the more important support for the British in the city came from elements within the old Muslim ruling elite. The merchant classes were in general lacking in purpose or any sense of direction during the whole affair. Between 1759 and 1800, the British continued to allow the Muslim elite to rule the city on a day-to-day basis, and amongst the merchants of the city, certain Parsi magnates commanded far more power than any of the Baniyas. The British were however the ultimate power, able to supersede the ruling elite as and when they chose to do so. He concludes:

> However, when the English, at the end of the century, did decide to change the rules, both the Mughal nobles *and the Bania bankers* dropped through the trapdoor of history. The Banias — as well as the Mughal nobles and the Parsi merchant princes — far from being partners, even junior partners, were, quite simply, expendable collaborators who were used as long as they were judged useful, to be afterwards discarded as old rags by their masters.[104]

Torri makes the important point that the ruling polity in Surat city — that is, the formal structure of rule and the ethos that went with it — was essentially that of the Mughals right till 1800. Thereafter, it was replaced with the new polity of the British. He shows that for all their wealth and power, the merchant community never evolved a political ethos of their own, of the sort that could have inspired them to make a bid for power in their own right. As a result, they were left hanging on events, making alliances to their advantage, but never taking the lead.

This was true for merchants and usurers throughout India in the eighteenth century. Despite a growth in power, they did not develop any system of thought which would justify the universality of their values over and above the prevailing ethos of the Mughal, Rajput or Maratha aristocracies. They never became that class which, like the bourgeoisie in eighteenth century Britain and France, claimed that in struggling for its own emancipation, it represented the interest of society as a whole. In the words of Marx:

> No class of civil society can play this role without arousing a moment of enthusiasm in itself and in the masses, a moment in which it fraternises and merges with society in general, becomes confused with it and is perceived

[104] Michelguglielmo Torri, 'Surat during the Second Half of the Eighteenth Century: What Kind of Social Order? A Rejoinder to Lakshmi Subramanian', *Modern Asian Studies,* 21:4, 1987, p. 710.

and acknowledged as its *general representative*, a moment in which its demands and rights are truly the rights and demands of society itself; a moment in which it is truly the social head and the social heart. Only in the name of the general rights of society can a particular class lay claim to general domination.[105]

In India, as in Germany at the same time, the merchant classes lacked any such 'breadth of soul that identifies itself, even for a moment, with the soul of the nation'.[106]

[105] Karl Marx, 'Contribution to the Critique of Hegel's Philosophy of Law', Marx and Engels, *Collected Works*, vol. 3, Moscow, 1975, p. 184.
[106] Ibid., p. 185.

Chapter Three

Usury and the Colonial State

The transition to capitalism occurred in the first instance in western Europe because of a unique outcome of class transformations and class struggles within the pre-capitalist formations of that region. This system was then imposed throughout the globe through a combination of aggressive trade practices, economic and military might, and conquest. Once a region was brought within the ambit of this system, either through conquest (as in the case of India) or through a voluntary decision in the face of global compulsions (as in the case of Japan), the pre-existence of a strong mercantile class could greatly facilitate the consolidation of capitalism. In western India, the crucial event in the course of this history was the defeat of the Marathas by the British at the start of the nineteenth century. This initiated a long drawn-out and painful process of capitalist transformation in which the capital of merchants and usurers played a central role.[1]

From their base in Bombay, the British began to annex parts of Gujarat in the late eighteenth century and took over substantial tracts in the period between 1800 and 1817. Extensive areas were left, however, under the control of the Maratha ruler, the Gaikwad of Baroda, and various Rajput kings, Muslim nawabs and petty chiefs. The Marathas were defeated in 1817, and the western Deccan annexed, leaving only a few indigenous rulers, such as the raja of Satara — whose state was annexed in 1839 — and the raja of Kholapur. The areas of Gujarat and Maharashtra, ruled directly by

[1] This paragraph owes a lot to Robert Brenner, 'The Origins of Capitalist Development: A Critique of Neo-Smithian Marxism', *New Left Review*, 104, July–August 1977, as well as Jairus Banaji, 'Capitalist Domination and the Small Peasantry: Deccan Districts in the Late Nineteenth Century', *EPW*, 12:33 and 34, 1977.

the British, became parts of Bombay Presidency, governed from Bombay city. In Rajasthan, the British drove out the Maratha warlords, Sinde and Holkar, in 1803, leaving a vacuum of power which was filled by a motley collection of freebooters and adventurers who laid the region waste. In 1818 the Rajput rulers agreed to accept British paramountcy and in return were given help in restoring order. The British annexed two contiguous areas not controlled by the Rajputs — Ajmer and Merwara — and established their direct rule there. Although many parts of western India were thus left under the control of indigenous rulers, the British maintained residents at their courts whose task was to ensure that nothing was done that might jeopardize in any serious way the implementation of overall imperial policies.

In the seventeenth and eighteenth centuries, the British had relied heavily on indigenous banking firms to finance their exploits in India.[2] From the 1790s the Bombay government began to look for ways to free themselves from such dependence, which was seen as unhealthy, both economically as well as politically. Arrangements took some time to mature, and it was only in the period after 1805 that the Bombay government managed to obtain substantial amounts of credit from alternative sources, such as agency houses in Bombay and Calcutta, bankers in London, and public loan flotations. In this way, it cut itself away gradually from the great Gujarati banking firms of Surat and elsewhere.[3]

The Bombay government also set about abolishing tax-farming, believed to enrich indigenous bankers at the expense of the state. Tax-farming in the eighteenth century had not been a feature of Maratha rule, but during the civil wars of the first decade of the nineteenth century, the Peshwa had started farming out the tax so as to raise money quickly to strengthen his army.[4] The British took over the system in 1817 and continued to operate it for some years in certain areas, but as soon as they could, they dispensed with the tax-farmers and collected taxes directly from the peasants.[5] Several

[2] Irfan Habib, 'Usury in Medieval India', p. 405.

[3] L. Subramanian, 'Banias and the British', pp. 473 and 509–10.

[4] H. Fukazawa, 'Agrarian Relations: Western India', *Cambridge Economic History of India*, vol. II, pp. 178–82; S. Guha, *The Agrarian Economy of the Bombay Deccan 1818–1941*, New Delhi, 1985; p. 12.

[5] Ibid., p. 46.

of the great banking firms subsequently transferred their tax-farming operations to the princely states, where taxes continued to be farmed out for many years.[6] The Pune firm of Merji became, for example, the leading tax-farmers of the Berar territories of the nizam of Hyderabad in the 1820s.[7] The banking firms also continued to finance local-level usury in British and princely areas, which continued to be a highly lucrative line of business, so that they did not lose out unduly. The British in Bombay also sought to compensate this class for its losses by not imposing any direct taxes on them.[8]

There was no such hiatus for the bankers of Rajasthan, who were treated most favourably by the British during the 1820s and 1830s. The administrators of Ajmer induced many to migrate to this British enclave, providing for them charters of rights. For instance, in 1822, a leading banker of Churu was given a written charter (*shartnama*) which stated that on migration to Ajmer he would be given land in the market at a reasonable price to set up his business, that no forced service (*begar*) would be demanded from him, that he would be provided with full security, that his goods would be protected in transit, that the East India Company would purchase goods from his firm at reasonable prices, and that they would help him realize any money he lent to officials by deducting the sums due from their pay.[9] In the 1820s and 1830s the great Ajmer bankers were strongly encouraged to expand their businesses to the Punjab, and were granted charters similar to the one above. In some cases, particular firms were appointed to manage British treasuries, as at Rohtak, Ambala and Ludhiana, where the Marwari firm of Seth Mirjamal Potadar was given the contract. They also entrusted their residency treasuries in princely states to

[6] Thus, to take some of the major states, Jaipur abolished tax-farming in 1849, Mewar and Baroda in 1862, Kota in 1870, Marwar in 1884 and Bikaner in 1885. S. N. Tiwari, 'The Role of the Business Community in Rajasthan (1850–1947)', unpublished Ph.D. thesis, Jaipur 1984, p. 49; Alice Clark, 'Central Gujarat in the Nineteenth Century. The Integration of an Agrarian system', unpublished Ph.D. thesis, university of Wisconsin, 1979, p. 164.

[7] S. Guha, 'Commodities and Credit in Upland Maharashtra', *EPW*, 22: 52, 26 December 1987, p. A-129.

[8] M. Elphinstone, 'Minute by the President, 6 April 1821', in G.W. Forrest (ed.), *Selections from the Minutes and other Official Writings of the Honourable Mountstuart Elphinstone*, London, 1884, p. 516.

[9] The agreement is set out in full in S.N. Tiwari, 'The Role of the Business Community in Rajasthan (1850–1947)', pp. 21–2.

such bankers. Seth Samirmal Lodha of Ajmer, for instance, managed the residency treasuries at Jodhpur, Alwar and Kota in 1830.[10]

The British sought to get rid of other intermediaries between the state and the peasantry, whom they regarded as leeches sucking on the revenue. In Gujarat, for instance, the local gentry who had obtained the official post of desai were by the first decade of the nineteenth century established firmly as tax-farmers and usurers. From 1803 to 1810, the British continued to use these officials to collect taxes in the areas they controlled. In 1810–1811 they decided to start collecting land tax directly from the peasants, employing the desais as mere assistants. In the process, they discovered that a large amount of tax had been finding its way into the private accounts of the desais. In 1814, they appointed their own accountants (*talatis*) in each village to keep a check on the desais. The desais tried to use their local power and influence to break this arrangement, but the British retaliated by arresting and imprisoning the ringleaders, and this broke their resistance.[11]

In Maharashtra various village officials, such as the headmen (*patils*) and accountants (kulkarnis) were likewise creaming off large amounts of the tax they collected from the peasants. They were able to do this because the state required merely that they hand over a fixed sum; the authorities were not concerned as to how they realized it from the villagers. An estimate for one village put the amount of the total tax collections thus appropriated at 36 per cent of the whole.[12] With the proceeds they were able to invest in usury. After the conquest, the British slashed the rights and powers of the patils, and took away crucial controls over tax collection. It was ruled also that their office was held on good behaviour, and posts could be taken away, even if hereditary. The kulkarnis retained the power of tax collection, albeit from individual cultivators rather than the village as a whole, and their loss of power was less. The patils ceased to be important as a class of usurers. The kulkarnis, on the other hand, remained prominent in this respect.[13]

[10] Ibid., pp. 23–32.

[11] A.M. Shah, 'Social Structure and Change', pp. 50–6.

[12] N. Charlesworth, *Peasants and Imperial Rule: Agriculture and Agrarian Society in the Bombay Presidency, 1850–1935*, Cambridge, 1985, p. 23.

[13] S. Guha, Bombay Deccan 1818–1941, pp. 42–3; R. O'Hanlon, *Caste, Conflict and Ideology*, pp. 280–1.

Although professional village usurers also appropriated large amounts of the peasants' surplus, the British never envisaged curtailing their activities, for without them, peasant agriculture could not be financed, unless the government itself took on the responsibility of providing credit. Although there was a tradition of such loans in India — called taqavi — the state was never in medieval times a major financier of such agriculture. Under the Mughals, much of what passed for taqavi was in fact capital owned by village headmen or usurers which was advanced as 'government credit' to give the arrangement some official status.[14] In Rajasthan, the capital for the taqavi loan was invariably the Baniya's, but again, advanced with state encouragement and support.[15] The arrangement gave security to the usurers when they provided credit. The East India Company which sought to govern India as cheaply as possible, had no intention of providing credit itself on any scale. Its general policy was to curtail taqavi to an absolute minimum and look to the indigenous usurers to provide capital to finance agricultural production.[16]

II

The British attitude towards usury had evolved out of a history very different to that of India. The English word 'usury' was derived from the Latin '*usura*', which was taken in early medieval Europe to mean the taking of any interest on money. At that time usura was considered by theologians to run counter to the word of god, as revealed in both the Old and New Testaments. As Jesus Christ said:

> ...if you lend only where you expect to be repaid, what credit is that to you? Even sinners lend to each other if they are to be repaid in full. But you must love your enemies and do good; and lend without expecting any return; and you will have a rich reward...[17]

Following this, theologians condemned any demand for the return of a sum over and above the amount advanced.[18] The punitive

[14] Irfan Habib, *The Agrarian System of Mughal India 1556–1707*, Bombay, 1963, pp. 253–5.

[15] S.P. Gupta, *Agrarian System of Eastern Rajasthan*, pp. 142–3.

[16] Simpson, Commissioner Northern Division, 28 February 1843, BA, R.D. 1844, 107/1664.

[17] Luke 6:35, *The New English Bible: New Testament*, Cambridge, 1961.

[18] Jacques Le Goff, *La Bourse et la Vie*, translated by Patricia Ranum as *Your Money or Your Life: Economy and Religion in the Middle Ages*, New York, 1988, pp. 26–7.

powers of the medieval church were such that much medieval lending on interest had to be concealed in nominal 'gifts' and so-called 'partnerships'.[19]

During the twelfth and thirteenth centuries the growth in the economy and the growing need for credit led to a distinction made by theologians — in particular by Thomas Aquinas — between different forms of usura. Although lending at interest continued to be considered generally reprehensible, certain forms were now tolerated. If, for example, creditors could demonstrate that their earnings from lending represented a fair return on their labour, or that they would have made a comparable profit if they had kept the sum for purposes of trade, or that there was an element of risk to their capital in the deal, their profit was considered legitimate. This was known as the principle of the *lucrum cessans.*[20]

From the fifteenth century onwards the growing power of merchant capital exerted an ever-growing influence over Christian theologians. The Tubingen school of German theologians — who were allied closely with the great mercantile family of the Fuggers — argued that there was no sin in wanting to make a profit from one's capital. What mattered was not the act of taking interest, so much as the intention of the borrower. If the loan was made with a good conscience, with no desire to harm the borrower, it was permissable to take interest. These arguments were taken a stage further during the Reformation in the sixteenth century, when it was argued that society had no right to force individuals to conform to the ideals and precepts set out by Jesus Christ in the New Testament. Actions could be dictated only by individual conscience, with deeds being judged by god at the time of death. A moneylender who acted in good faith would have nothing to fear; one who lent with malicious intent would receive divine punishment in due course.[21]

Sixteenth-century theologians and thinkers did not however call for the removal of all checks on usury. The peasantry, who continued to be the largest and most productive social class throughout Europe,

[19] Norman Jones, *God and the Moneylenders: Usury and Law in Early Modern England,* Oxford, 1989, p. 4.

[20] Ibid., pp. 8–9; Le Goff, *Money or Your Life,* pp. 71–5; Peter Spufford, *Money and its Use in Medieval Europe,* Cambridge, 1988, p. 260.

[21] Jones, *God and the Moneylenders,* pp. 12–15.

were hard hit by usury, and their discontent in this respect was a major contributing factor of the great peasant revolts of the period.[22] Checks on usury were seen as essential to prevent further rural disturbances.[23] Even the most radical of Reformation theologians therefore demanded that there be strict state controls over rates of interest. Charles Du Moulin suggested 5 per cent as a maximum. John Calvin, who was strongly influenced by Du Moulin in this matter, set out a code of rules to regulate and control usury. In England, the maximum rate was fixed by law in 1545 at 10 per cent.[24]

Laws fixing the legal maximum rates led to a distinction in English between 'usurious' and 'non-usurious' forms of moneylending. It was considered legitimate to lend money at 'reasonable' rates of interest — a practice no longer defined as 'usury' — but unacceptable to demand 'exorbitant' rates, which continued to be labelled 'usury'. The former trade came to be seen as a respectable occupation, carried on by solid merchants and bankers. The latter came to be regarded as a disreputable practice, indulged in by seedy pawnbrokers, loan sharks and, most notoriously, Jews. Shylock, portrayed in a blatantly racist manner by Shakespeare, became deeply ingrained within the English psyche as the archetypal 'usurer' figure. These attitudes underlay a certain contradictory attitude in later centuries towards the figure of the Indian usurer: solid merchant — a valuable ally — as well as the oily and devious Shylock.

The maximum legal rate of interest was lowered gradually in Britain between the sixteenth and eighteenth centuries from 10 per cent, to 8, to 6, and finally to 5 per cent.[25] This lowering of the rates reflected the power of the rural gentry and yeoman classes in Britain at the time, with cheap credit enhancing the profitability of agriculture which provided their chief productive base. With the rise of a new mercantile bourgeoisie in Britain and France in the eighteenth century, demands were voiced for an end to any legal

[22] For the exploitation of peasants by usurers during the fifteenth and sixteenth centuries, see Emmanuel Le Roy Ladurie, *The Peasants of Languedoc*, Urbana, 1976, pp. 1259. R.H. Tawney estimates that peasants and 'small masters' made up about three-quarters of the population of England in the time of Elizabeth I. 'Introduction' to Thomas Wilson, *A Discourse upon Usury*, London, 1925, p. 21.

[23] Ibid., p. 30.

[24] Jones, *God and the Moneylenders*, pp. 18–21.

[25] Jeremy Bentham, 'Defence of Usury', in John Bowring (ed.), *The Works of Jeremy Bentham*, vol. 3, New York, 1962, p. 4.

restraints on interest rates. In France, Turgot advocated the abolition of interest regulations in 1770, followed in 1787 in Britain by Jeremy Bentham. Bentham demanded 'the liberty of making one's own terms in money-bargains', and argued that 'this meek and unassuming species of liberty has been suffering much injustice'.[26] Adam Smith, on the other hand, did not disagree with a maximum rate in principle, though he felt that it should be above the 'lowest market price', otherwise the law would have no meaning. He believed the current maximum rate of 5 per cent was 'as proper as any'.[27]

After they had conquered India, the British, following classical Roman imperial practice in a conscious manner, decided to impose a maximum rate of 12 per cent.[28] In Bombay Presidency, this rate was fixed by law in 1814.[29] Anything above this was described as 'usury'. The problem here was that the rate of 12 per cent per annum was way *below* the 'lowest market price' of interest exacted from the large majority of agricultural producers. The most common interest rates on seasonal loans of grain advanced before the monsoon were from a quarter to a half as much again, to be repaid after the harvest. If it is assumed that the loan was for a period of four months, this represented rates of between 75 and 150 per cent per annum.[30] Almost all rural usury was therefore, strictly speaking, illegal. As it was impossible to apply the law in practice, it was quite meaningless. In this, Adam Smith was proved to have a point, and in the four decades following the passing of the law there was a continuing demand from his many disciples in the Indian civil service for the abolition of the legal maximum. The government eventually capitulated to this demand in 1855.[31]

[26] Ibid., p. 3.

[27] Adam Smith, *An Enquiry into the Nature and Causes of the Wealth of Nations*, vol. 1, Oxford, 1976, pp. 356–7.

[28] Ancient Roman Law had authorized a maximum rate of 12 per cent per annum. Jones, *God and the Moneylenders*, p. 21.

[29] This rate had been imposed already in Bengal in 1793 and in Madras in 1802. In pre-colonial Maharashtra, Nana Fadanavis had fixed a maximum rate of 10 per cent in the 1770s. S. Ambirajan, *Classical Political Economy and British Policy in India*, Cambridge, 1978, pp. 102–4.

[30] Non-seasonal rates were less — in Maharashtra between about 35 per cent and 75 per cent per annum in the years immediately after the colonial conquest. Interest rates are examined in more detail in chapter 9.

[31] This followed the abolition of a maximum rate in Britain in 1853. For the debate over

The only strong anti-usury law placed on the statute book by the British in the first half century of their rule in western India was not therefore implemented in a serious manner, and was struck out after four decades. This was despite the fact that other measures taken by the new rulers greatly strengthened the hands of the usurers against their clients.

Most important of all in this respect was that debt contracts were brought within the sphere of civil law. In the past, debt agreements were enforced largely through custom. One important practice in this respect was that of bringing moral pressure to bear on debtors by sitting outside their doors. This was known as *dharna*, and there were several variations to the custom which are examined in more detail in chapter nine. In 1810, the East India Company declared that all such practices were illegal.[32] Instead, creditors had to present cases against borrowers in the new civil courts being established by the British in India. In this respect, traditional custom was sought to be replaced by a system of contract.[33]

Civil courts had been operating in Bombay city since the eighteenth century, and they were first extended to the hinterland in 1805, after the British had acquired various territories in Gujarat. The first such court was at Bharuch and covered all the British territories to the north of Bombay. It moved to Surat in 1810. In 1815 the East India Company declared from London that the Bombay government should exercise great caution in imposing the full gamut of the Bombay civil law on the newly annexed territories, but this advice was ignored in 1817 when the governor, Evan Nepean, declared that the Bombay law would be imposed *en bloc* on Gujarat and the Konkan.[34]

In the Deccan territories the first commissioner, Mountstuart Elphinstone, was wary about applying such an alien system so soon after conquering the region. There was still much resentment against the new rulers, and he did not want to create further tensions. Instead, he tried to implement what he saw as the traditional system

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the issue amongst Indian civil servants, see Ambirajan, *Classical Political Economy*, pp. 104–8.

[32] Ibid., p. 103.

[33] For this, see Bernard Cohn, 'From Indian Status to British Contract', *Journal of Economic History*, 21:4, December 1961.

[34] K Ballhatchet, *Social Policy and Social Change in Western India 1817–1830*, London, 1957, p. 168.

of civil justice with the help of panchayats. This had the desired political effect, but the supposed 'corruption' of such bodies soon grated on British sensibilities. The chief problem from the British point of view was that the men who served on the panchayats — normally members of the local gentry — expected to be given gifts by both parties before hearing a case and reaching a decision. When adequate gifts were not forthcoming, which was often the case, justice was delayed. Although this was fully in accord with pre-colonial practice — in which the whole system of government was lubricated by gifts from inferiors to superiors — the British saw this as 'bribery' and against all principles of justice. From 1822 onwards the panchayats were as a result gradually superseded in the Deccan by civil courts under the control of state-appointed judges and the tax bureaucracy. By 1823, Elphinstone, by now the governor of Bombay, came round to favouring the latter system.[35] In 1827 the Bombay civil system was extended in its entirety to the Deccan, and in 1828 the chief civil court was moved from Surat to Bombay, and district judges were appointed under it for major centres throughout Bombay Presidency.

Elphinstone argued in 1823 that the chief advantage of the British civil system lay in 'the regularity with which it enforces the payments of debts, by means of which the interest of money is diminished, trade is encouraged and in time people learn to avoid borrowing money which they are not likely to pay'.[36] This statement was made in the face of evidence which showed that peasants in the areas in which the colonial civil law had been established had been affected for the worse. In 1821 the village headmen of four sub-divisions of Kheda district complained to the government that the courts were accepting as conclusive evidence dubious debt-bonds produced before them by usurers, and that the courts were ordering that the cattle, agricultural implements, and even the houses of the peasants be sold to pay off debts. Usurers were evicting the peasants, knocking down their houses and selling the materials. Although Elphinstone saw the injustice of this, he concluded: 'It is, however, a question whether the prohibition of such sales would not in the end injure the Rayat by lessening his credit.'[37]

[35] Ibid., pp. 106–14 and 193–204.

[36] Ibid., p. 153.

[37] 'Minute by M. Elphinstone, 6 April 1821', in Forrest (ed.), *Writings of Elphinstone*, pp. 512–13.

Similar complaints were heard from other areas newly conquered from the Peshwas of Pune. For example, when Elphinstone toured the South Konkan in 1823 he found the peasants extremely bitter. The local Brahman gentry, who were the chief creditors in the area, were using the new civil courts to deprive the peasants of their customary rights of land occupation, turning them into what was defined in British terminology as 'tenants-at-will'. The creditors were presenting cases in the civil court at Ratnagiri — which could be up to 150 miles away for a peasant family. If a member of the family failed to turn up at the court — which was normally the case — the judgement invariably went against the family, and its house and cattle would be sold and the members left destitute. According to Elphinstone: '...they all seemed very much dissatisfied and all seemed to prefer the Paishwah's Government to ours.' One peasant told him: 'The power of the Brahmans is doubled since they lost the country.'[38]

The system of civil law was extended throughout Bombay Presidency despite strong opposition by the peasantry. It was held that if usury was not protected by the law in this way, usurers would cease lending to peasants and agriculture would suffer. It was also argued that although some peasants might lose out in the short term, the lesson they would learn would be a salutary one, and in future they would be more responsible about contracting debts. The system was thus also considered to further the moral education of the peasantry.

The problem was compounded during the next decades, as the British established a new system of land ownership. A wide range of different types of rights on land was gradually homogenized into a uniform system by which peasants held land as individuals under contract to the state. Each landholding peasant was given a deed in writing. The state was considered the ultimate owner of the land, and the peasants were considered its 'tenants'. This meant that if the state so willed, it could evict peasants from their land. This, as we shall see in chapter five, was a radical departure from the prevailing practice. Such an order could be passed by either the civil authorities or the civil courts. The peasants were considered to have broken their contract with the state if they failed to pay their land-tax. Just as important, they could be evicted for breaking

[38] Ballhatchet, *Social Policy and Social Change*, p. 153.

their contract with a third party, which meant that they could lose their land through a court order if they failed to honour their debts. If evicted, their land was auctioned to the highest bidder. What this meant in practice was that usurers were able to take the new land-deeds as a security for their advances, and then threaten the peasants with eviction and forced sale if they did not agree to whatever terms they, the usurers, wished to dictate.

Another innovation which served to strengthen the power of the usurers against the peasants was the enforcement of a policy of laissez faire in the market. In the pre-colonial period, rulers had always exercised the right to control the prices of essential commodities. In Rajasthan, rulers employed special officials to monitor prices in the markets and to specify officially agreed prices.[39] This power was particularly important during times of dearth, when it was used to stop hoarding and profiteering by merchants, and also to prevent the export of grain from scarcity-hit areas. The British doctrine of political economy, which was in this respect modelled on French physiocratic thought, held that free trade in grain was essential for the economic health of a society.[40]

The argument was put forward in its most influential form by Adam Smith in *The Wealth of Nations.* Smith maintained that if a ruler forced merchants to sell grain at low prices during a period of dearth, stocks would soon be exhausted, and a famine would most probably result. He claimed that this was what had happened in Bengal in 1783–1784, when Warren Hasting's strong interventions in the market had turned a shortage into a serious famine. Merchants, according to Smith, were entirely justified in demanding high prices in poor years, for by this means they offset the losses they incurred from the low prices of bumper years and the deterioration of the stock in their granaries. Without high prices in years of scarcity, the grain trade could not be a profitable one. It was the duty, therefore, of the state to encourage trade by protecting rather than penalizing merchants at such a time. He denied that high prices were caused by 'avarice' — that is profiteering — since, he asserted,

[39] This was the practice in Jaipur and Kota states around 1700. G.N. Sharma, *Social Life in Medieval Rajasthan,* p. 318.

[40] E. and E. Genovese, *Fruits of Merchant Capital,* pp. 240–5 and 283–92. For the importance of French physiocratic thought for the British in India, see Ranajit Guha, *A Rule of Property for Bengal: An Essay on the Idea of Permanent Settlement,* Paris, 1963.

it was impossible for merchants to establish a sufficient monopoly to keep prices at an artificially high level. He went on to argue that high prices in a bad year were beneficial because they fostered frugality and thrift amongst consumers, thus forcing consumers to ration scarce resources. Furthermore, merchants were encouraged by the high prices to import grain from elsewhere, thereby replenishing depleted stocks.[41]

Smith's prescriptions flew in the face of the general practice in Europe as well as in India, and they were accepted by the East India Company in the first decade of the nineteenth century only after protracted debate. The first effects of the new approach were seen in Bombay Presidency during the severe famine in Gujarat of 1812. When the collector of Kheda district urged the Bombay government to import grain and sell it at low rates to alleviate the crisis, the governor of Bombay rejected the proposal, citing the *Wealth of Nations* to the effect that unrestricted trade in grain was in the best interests of every society, in every conceivable situation.[42]

Laissez faire over prices became one of the abiding dogmas of British imperialism in India. It was a deeply flawed philosophy, for in practice the market did not operate according to the stated principles.[43] Merchants and usurers in India were organized into powerful corporate groups and were able to create even artificial shortages by their hoarding and profiteering. Even when there was a genuine shortage due to poor harvests, the poor lacked the means to pay high prices, so that there was no incentive for merchants to import grain. Rather than provide some form of rationing for all, high prices merely ensured that the rich could procure food rather than the poor. All that was achieved in reality was mass suffering and starvation. It also enriched merchants and usurers at the expense of their customers and clients in a way not hitherto experienced during periods of dearth in India.

Many district officials who were forced by their superiors to implement this doctrine on the ground were only too aware of its errors, but their misgivings were always overruled.[44] Princely rulers

[41] A. Smith, *Wealth of Nations,* vol. 1, pp. 524–43.

[42] S. Ambirajan, *Classical Political Economy,* pp. 64–71.

[43] For a critique of Smith in this respect, see E.P. Thompson, *Customs in Common,* London, 1991, pp. 283–4.

[44] For instance, the collector of Ahmedabad wrote in 1840 that he would like to check

who tried to control prices during periods of dearth in customary ways were reprimanded by the British authorities and ordered to remove all checks on the market.[45] They were invariably reluctant to do this and often ignored orders.

III

The combination of civil courts, a new form of property in land, and laissez faire over prices provided a structure that worked firmly to the advantage of usurers against the peasantry. This continued to be the case throughout the period of British rule in India. The usurers as a class grasped the advantages of the new system extremely quickly. In the areas under British rule, they did not suffer even from the catastrophic fall in agrarian prices in 1821, which continued to the end of the 1840s.[46] If anything, the agrarian depression helped them in their usury, for many peasants could survive only by borrowing heavily. The situation was aggravated by the very high demands made by the British for land-tax between 1820 and 1840.[47] As the usurers were the ones who provided the cash to pay taxes, the peasants were driven further into debt to meet these extravagant demands. Rural debt swelled to huge proportions during this period, and the power of the usurers increased accordingly.

During the same period the economy of Rajasthan was in a state of crisis, largely due to the decline of the old trade routes between northern and western India.[48] Many Baniyas of Marwar, Bikaner and Jaipur left the region at this time to seek their fortunes in the more favourable commercial environment of British India. They often went with very little capital, and gradually built up their

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profiteering by ruthless sahukars but he dare not suggest the idea as it went so much against government policy, 23 October 1840, BA, R.D. 1844, 107/1664.

[45] The records for Rajasthan are full of such directives. For example, see H. Lassalle, 21 August 1877, RSA, Ajmer — Commissioner's Office, register 1, SN 809, file B-55, basta 68, 1891.

[46] The reasons for this are discussed in S. Guha, *Bombay Deccan 1818–1941*, pp. 17–18.

[47] Ibid., pp. 24–5. For similar over-taxation in Gujarat, see Raj Kumar Hans, Agrarian Economy of Broach District (Gujarat) during the First Half of the Nineteenth Century, unpublished Ph.D. thesis, M.S. University of Baroda 1987, pp. 111–29.

[48] The reasons for this are examined in Thomas Timberg, *The Marwaris: From Traders to Industrialists*, New Delhi, 1978, pp. 97–101.

businesses by lending small necessities to the peasants. Once they had enough money, they would build a shop and begin to advance credit on a larger and larger scale.[49] They were then able to borrow from the bigger Rajasthani firms, many of which set up branches in British territories in the period between 1820 and 1840.[50] The Rajasthani Baniyas, who were known popularly as 'Marwaris', established themselves most firmly in the British territories in which there was little competition from Gujarati Baniya usurers. Thus, in Gujarat itself they managed to gain a hold only in certain parts of the commercially less developed interior of south Gujarat. In the western Deccan, they failed to gain much of a hold in Khandesh or to the east of Pune, where Gujarati Baniyas controlled the business, but became predominant in the area around Ahmadnagar, where they had already penetrated to some extent in the eighteenth century, and in the valleys of the Sahyadri mountains cultivated by the Mahadev Kolis, as well as certain other pockets.

In 1840 the Bombay government asked its district officers to report on the activities of village usurers. The general tone of their replies was one of enthusiasm for these people. For example, the collector of Khandesh, Robert Pringle, reported that the earning of the village Baniyas (or 'Banyans', as he called them) did not appear to be out of proportion to the risk they incurred in providing credit to the peasantry:

> The ryuts are for the most part poor and ignorant, and as a natural consequence, improvident; but though like most persons so circumscribed they are often loud in their complaints against their creditors, yet I imagine they would be the first to suffer by, and not less ready to exclaim against any restrictions which would deprive them of the aid of so useful a class. ... It may be questioned whether in such stages of civilization the elements of credit and confidence exist for the safe working of regular banking establishments, and in their absence it would be doing an ill service to the community to frighten away or discourage the...Banyan. In some of our wildest outlying districts the Banyan forms as it were the connecting link between civilization & barbarism, and where our untamed Bheel, the savage of the forests, will not hold communication with a Government officer he has implicit confidence in his banyan the purchaser of his gum and his wax, and rarely deceives him in his engagements. It is true indeed

[49] Comment by unnamed Revenue Department officials on a report by the collector of Ahmadnagar for 1838–39, 30 May 1840, BA, R.D. 1840 8/1092.

[50] Timberg,, *The Marwaris,* pp. 44 and 222.

that while he will not deceive he occasionally plunders him, but this is one of the many risks in the trade of a banyan to be set against the amounts of his apparently large gains.

I think the existing law on the traffic in money an excellent one, and that any attempt to limit its freedom would be highly mischievous and impolitic. It would shake the credit of the cultivators and deprive them of the accommodations of capitalists or enhance their price by adding the risk of violating the law to those already attending the poverty of the borrower.[51]

Pringle saw usury as being in the best interests of the peasants, who as a class were 'ignorant' and 'improvident'. He equated the penetration of usurer's capital with the growth of civilization. By this he meant that usurers provided capital for the development of settled agriculture in areas inhabited by what he called, in his racist language, 'the savage of the forest'. Equally, peasants who were already settled were encouraged to carry on their agriculture in a more efficient and productive manner. 'Improvident' agriculture was penalized, allowing the frugal and provident — and thus more 'civilized' — farmers to come to the fore. Usury thus had a function which was both educative and moral. He also argued that the high profits the usurers reaped were their just due, for their enterprise was a risky one. One thing which he did not argue, but which was implied, was that his own task of tax collection was made much easier by the presence of the usurers. This was stated explicitly in the reply to the Bombay government of the assistant collector of Pune district, W. Bartle Frere:

> Because Banias are always ready to meet the pecuniary needs of cultivators, they are considered by some officials to be most useful and valuable members of the village community. This is true particularly for officials whose chief concern is to collect as much tax as possible without remissions. The Bania advances to the ryot the amount of their tax — which is duly paid to Govt.[52]

A similar sort of argument about the civilizing role of usury informed the comments of a collector of Panchmahals district in Gujarat, which was inhabited predominantly by Bhils, who stated in 1875:

> The great mass of the agricultural population is no doubt plunged in

[51] R.K. Pringle to J. Vibart, 17 June 1840, BA, R.D. 1844, 107/1664.

[52] W.B. Frere to J. Stewart, 2 July 1840, ibid.

debt and difficulty, but it must be remembered that the classes of whom this is mainly true are the same who only a short time back supported themselves by robbery and violence. It is no sign of depression that such persons should not yet have learned to make agriculture pay, or that they should fall an easy prey to the moneylenders. On the contrary it is a sign of material progress that they should have accepted so uncongenial a mode of life at all, and it is as much as can be expected if in the course of the next generation or two their wild instincts die out and they attain to the habits of steady industry without which it is impossible that their condition will improve.[53]

Views such as these had their philosophical base in classical political economy and utilitarianism, and foresaw a time in which the peasant would become 'civilized'. As colonial rule consolidated itself, the civilized/uncivilized distinction hardened into permanancy, reflecting that distinctively colonialist emphasis on the enduring difference between the colonizer and colonized, between Enlightenment and Darkness, between Self and Other.[54] The failings of the system were — it was argued — not to be blamed in any serious respect on the colonial government, but, rather, on the enduring moral deficiencies of the colonized. Thus George Arthur, judge of Pune, saw the peasants of India as 'essentially a race of paupers', content to cultivate:

> ... his field, slovenly, satisfied if it only enable him to pay the public demands and eke out the means of supporting himself and family; so that while he endures all the hardship of a bad harvest, he does not derive that advantage from a good one... the Indian cultivator is nearly as poor at the close of an abundant, as of a scanty harvest...[55]

This somewhat inconsistent melange of views about usury constituted a form of colonial 'common sense' on the subject. There was however a contradictory sub-theme — that Baniya usurers were devious and untrustworthy 'grasping Shylocks' who were ruining the simple but honest yeomanry of India. This view tended to receive more emphasis in the aftermath of peasant revolt, as during the decade after 1875, a year in which the peasants of the western Deccan had risen up against their usurers.[56] At such times, fear of

[53] Annual Collector's Report, Panchmahals, 1874–75, BA, R.D. 1875, 6 pt. 2/963.

[54] On the particularity of colonialist thought in this respect, see Homi K. Bhabha, *The Location of Culture*, London, 1994, pp. 112–16.

[55] George Arthur, 4 November 1842, IOL, Board's Collection, F4 2472, no. 46, 1852.

[56] This rising is examined in chapter ten.

wider peasant insurrection brought this more critical view of usury to the fore.

The predominant colonial 'common sense' view on usury was always, however, quick to reassert itself. By the end of the nineteenth century, the activities of usurers had been elevated in the minds of many officials to that of the working of 'the law of evolution'. The collector of Nasik district thus argued in 1888 that the peasants found themselves in debt solely through their 'impecuniousness'. If they were more thrifty, their condition would improve. Should the government make the mistake of trying to bale them out, they would soon sink even deeper in debt. He concluded: 'He [the peasant] must in obedience to the Law of Evolution make way for a fitter man and himself descend to his proper position in Life's Race, viz. that of a labourer.'[57]

The continuing prevalence of such mentalities amongst civil servants severely blighted attempts made by the state during the early twentieth century to place legal checks on usury, as well as provide co-operative credit, as we shall see in chapter thirteen. The grip of these attitudes on the minds of even the most supposedly 'pro-peasant' of twentieth-century colonial civil servants can be appreciated by looking at the writings of Malcolm Darling, who in 1925 produced what many consider to be the classic study of the bad effects of rural indebtedness in India. Despite his sympathy for the plight of the peasants, he considered their 'ingrained improvidence' a prime cause of their debt.[58] The Rajput peasants were the worst in this respect, being 'more than ordinarily extravagant and lazy'.[59] However, even the more diligent Jats could become 'demoralized' if cultivation became too easy, as in the newly opened up canal colonies, where fortunes were easily made and easily spent. For instance, in Ferozepur '...prosperity has had a demoralizing effect, and he [the Sikh Jat] often spends his substance upon wine, women and strife'. Fortunes were squandered on liquor, opium, gambling, litigation and

[57] Enquiry into takavi loans, 1888, opinion of the collector of Nasik district, BA, R.D. 1890, 220 A.

[58] Darling lists four main reasons for debt: (1) the uneconomic size of peasant holdings; (2) constant loss of cattle from drought and disease; (3) 'ingrained improvidence'; and (4) ceremonial expenses. *The Punjab Peasant in Prosperity and Debt,* London, 1932, p. 233.

[59] Ibid., p. 25.

dowries.[60] Darling admitted that the peasantry appeared poor, but this apparent inconsistency in his argument was easily explained:

> Indeed, a traveller riding through the country from village to village might well doubt whether there was any extravagance at all. Conditions are still primitive, houses and food of the simplest, and clothes, in winter at least, scanty enough. But if he stopped to attend a Rajput wedding, he would be surprised at the amount of hospitality and show... Or again, if he marched through one of the great canal colonies, he would hear many tales of the sums spent to gain or pervert the ends of justice. But these would only be incidents in a kaleidoscope revealing more improvidence and waste...[61]

Once again, we are informed by the experienced colonial official that the debt of the peasants was caused not by any fault of the government, but, rather, by their moral failings.

The moral dogmas of classical political economy and utilitarianism adopted to a colonial setting informed the attitude of the majority of British officials towards rural usury throughout the period of colonial rule. The peasants themselves were hard put to understand such a morality. Indeed, for them, the whole situation was notable only for its immorality. Before, however, we go on to examine the peasant's own experience of usury, let us turn our attention to the morality of the usurers themselves.

[60] Ibid., p. 49.

[61] Ibid., pp. 69–70.

Chapter Four

The Baniya's Life and Faith

Members of the Baniya community had a strong sense of self-identity, rooted in a distinct way of life. In this chapter we shall explore what being 'a Baniya' involved. The community had emerged in the early medieval period out of a process of state formation in the Gujarat-Rajasthan region in which merchants — the vaniks — were accorded a subordinate yet privileged position. In the process they coalesced into a *jati* which was considered to be within the twice-born Vaishya varna. They were subordinate to the Rajput rulers — who in such a hierarchy were considered to be Kshatriyas. In this respect, the later Turkish and Mughal rulers merely replaced the Rajputs without upsetting this particular hierarchy in a major way. Within this polity, the Baniyas exemplified a distinct way of being, which involved trade, banking, brokerage, usury and a certain pragmatic approach to worldly affairs which made them preferred as administrators. Their code of morality and their evident devotion to their gods helped to legitimize their privileged position within the social order.

The word 'Baniya' stems from vanik, *vanija*, *vanijaka* and vani, terms which described an occupation rather than caste. These occupational terms continued to be used in certain contexts and regions. For example, in Maharashtra, 'vani', as we have seen in chapter two, denoted a trader-cum-usurer who was normally Kunbi by caste. In a different context, European travellers often talked about 'banyans', meaning in a loose sense 'traders'. These 'baniyans' could, besides being members of the Baniya caste, be Brahmans and even Muslim or Parsi traders.[1]

[1] M. Torri, 'Surat during the Second Half of the Eighteenth Century', *Modern Asian Studies*, 21:4, 1987, p. 680, ft.3. In this, the Europeans appear to have followed a longstanding

In this book I have used the term 'Baniya' to refer to members of a caste which was spelt *baniya* in Hindi, *baniyo* in Marwari, and *vaniyo* in Gujarati. Members of this caste were in all cases Vaishnavite Hindus or Jains. It was not possible for a Muslim, a Parsi or a person of another religion to be of this caste. The Baniya caste was divided into a number of subcastes, such as the Oswals, Agarwals, Maheshris, Nagars, Nimas, Srimalis, Modhs, Lads, Khadayatas, Porvads, and so on.[2] These tended to be concentrated in a region. The Oswals, Agarwals and Maheshris were found in Rajasthan, the Nimas in what is now the border region between Gujarat and Madhya Pradesh, and most others in Gujarat. However, being a mobile people, members of each of these subcastes were often found outside the region they were most associated with. Most of these subcastes were further divided into groups known as visa, dasa and pancha.[3] Whereas it was not uncommon for Jain Baniyas to marry Vaishnavite Baniyas, it was unusual for marriages to take place outside these subgroups. As an example, whereas a Nima Visa Jain Baniya might marry a Nima Visa Vaishnava Baniya, neither would want to marry outside the group of Nima Visas.[4] The Baniya caste was thus a congeries of endogamous subcastes, which were known collectively as 'Baniya'.

This definition is slightly confused by the fact that in Rajasthan members of this community never described themselves as such. The word 'baniyo' had come to have connotations of petty trade

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usage amongst Indian Ocean traders. A letter of 1135 from a merchant of Aden to a trader in Mangalore talked about 'Ishaq the Baniyan', meaning 'the trader'. Amitav Ghose, 'The Slave of MS. H.6.', in Partha Chatterjee and Gyanendra Pandey (eds), *Subaltern Studies VII,* New Delhi, 1992, p. 203.

[2] By a tradition going back to at least the fifteenth century, there were 84 such divisions, or *jnatis,* amongst the Baniyas of Gujarat. This figure is a formulaic one, for the Brahmans were supposed to have had the same number of divisions. Divisions such as Nagar, Shrimali and Modh are mentioned in documents of that period. Rasiklal Parikh and Hariprasad Sastri, *Gujaratno Rajkiya ane Sanskrutik Itihas,* Granth 5, *Saltanat Kal,* Ahmedabad, 1977, p. 258.

[3] See A.M. Shah, 'Division and Hierarchy: An Overview of Caste in Gujarat', *Contributions to Indian Sociology,* New Series, 16:1, 1982, p.7.
Divisions such as these were of considerable antiquity — for example, Vastupal and Tejpal — ministers of the Solanki kings in the thirteenth century — were described in contemporary sources as Jain vaniks of the Porvad jnati. Visa and dasa divisions were also mentioned as existing at the time. Rasiklal Parikh and Hariprasad Sastri, *Gujaratno Rajkiya ane Sanskrutik Itihas,* Granth 4, *Solanki Kal,* Ahmedabad, 1976, p. 230.

[4] Enthoven, *Tribes and Castes,* vol. III, pp. 414 and 436.

and village usury — relatively low status occupations — and members of the Oswal, Agarwal and Maheshri communities preferred to be known collectively as 'mahajans', or 'great men'. This was the case even if they were in fact petty traders or village usurers. Outside Rajasthan they were known popularly as 'Marwaris', with their Baniya status being assumed. Strictly speaking, a person from Marwar could, besides being a Baniya, be a Brahman, Rajput, Jat, Rebari, Meghwal, and so on, but this qualification was not needed as members of these other castes rarely, if ever, established businesses in distant regions.

Although members of Baniya subcastes would in many cases not eat with members of other subcastes, and certainly not intermarry, there was little sense of rank amongst them. All were considered of comparable status.[5] This helped to maintain a sense of Baniya identity. This identity was further strengthened by their caste bodies, known as panchayats or mahajans. Each of the subcastes had its own town-based or regional body of this sort which enforced rules of endogamy and customary practices within the group. In places with many subcastes in small numbers, a single panchayat might have this function. Thus, in Pune in the eighteenth century there were many Gujarati Baniyas of many different subcastes, and they were all regulated for social purposes by one organization known as the mahajan of the Gujarati Baniyas.[6] These panchayats and mahajans had the power to outcaste members who broke their social rules.

Baniya identity also rested on the key position they occupied in commercial life. Often, they monopolized certain trades and businesses in a particular place and were able to limit competition between members of the group in a mutually advantageous way. They provided credit to each other at low rates of interest. Baniyas were known to help each other in times of difficulty. Banarasidas thus records how in Mughal India a merchant family which had to flee from an oppressive ruler could expect help from the Baniyas of another town in restarting their business in that place.[7]

[5] A.M. Shah, 'Division and Hierarchy', pp. 21–2.

[6] D.R. Gadgil, 'Immigrant Traders in Poona in the Eighteenth Century', *Artha Vijnana*, 1:1, March 1959, p. 16.

[7] R.C. Sharma, 'The Ardha-Kathanak', pp. 59–60. The same applied to Baniyas who migrated to new places in more recent times — they would be helped by the Baniyas of the place. D.K. Taknet, *Industrial Entrepreneurship of Shekhawati Marwaris*, Jaipur, 1986, pp. 156 and 172.

Baniyas maintained a firm boundary between themselves and non-Baniyas. In each area, they stood out in their distinctive dress, style of speech, names and dietary rules. In the small towns of the Jaipur region of Rajasthan, for instance, Jain and Vaishnavite Baniyas were not only strict vegetarians, but refused to eat a range of foods such as non-cow's milk, honey, vinegar, cauliflower, carrots, onions, garlic, chillies, aubergines, papayas, pomegranates and figs. The diet of Jain Baniyas was even stricter, with vegetable oil, cabbage, radish, tomato, guava, sunflower seed and groundnut being banned. Baniyas were meant to take great care to avoid killing insects while preparing and eating food. They strained all their drinking water through a cloth in case there were any tiny creatures in it. They tried to eat before dusk, to avoid insects being attracted to the food by lamplight which they might swallow inadvertently. Other communities often mocked at the Baniyas for such fastidious habits. In Rajasthan they were nicknamed *kanjus* (misers), in part because of their 'cheap' diet, and *makkichus* (fly-suckers) because of their concern for small living creatures in their food. In Gujarat they were commonly referred to in a disparaging way as *dhili dal*, or 'soft lentils', which implied that their diet made them weak and cowardly. The Baniyas themselves made no attempt to break down such boundaries. They were contemptuous of what they saw as the dirty and degrading eating habits of most non-Baniyas. They were not interested in converting others to their way of life or, indeed, to their religion. For instance, although in theory anyone could become a Jain, in practice, in Rajasthan, the religion was dominated by Baniyas who discouraged any conversion to the faith. For these reasons, Baniyas tended to be viewed by non-Baniyas as a distinct ethnic group.[8]

Boundaries such as these allowed a clear distinction to be made between Baniya and non-Baniya traders and usurers. The Daudi Bohras of Gujarat, for instance, were Shiah Muslims who carried on trade, money-dealing and usury in a manner largely indistinguishable from the Baniyas. However, even though they followed certain Baniya practices, such as observing Diwali as the start of their financial year (an anathema to more 'orthodox' Muslims),

[8] This paragraph is based on Alexander Walker papers, National Library of Scotland, M.S. 13861, p,. 72; Christine M. Cottam Ellis, 'The Jain Merchant Castes of Rajasthan: Some Aspects of the Management of Social Identity in a Market Town', in Michael Carrithers and Caroline Humphries, *The Assembly of Listeners: Jains in Society,* Cambridge, 1991, pp. 89–94; Caroline Humphries, 'Local Jain Communities', in ibid., p. 202.

they ate meat and could thus never be a part of the Baniya community. Their appearance, with — in the case of males — a distinctive beard and — in the case of women — their *shalwar kameez*, also ensured that a Daudi Bohra could be distinguished from a Baniya at a glance. Distinctions were made likewise for the Luhanas, a trading community of Saurashtra. Although they were Vaishnavite in their religion, they had distinctive names and adopted a more martial appearance. For instance, males waxed their moustaches and curled them up, in contrast to Baniya men, who commonly allowed their moustaches to droop. They were known for their feuding amongst brothers, whereas the Baniyas, it was believed, went out of their way to preserve peace within the family. Baniyas were considered more ruthless in their dealings than Luhanas. If, for instance, a person offered only one rupee to a Baniya to open an account, the Baniya might respond: 'I am not a Luhana', which meant that he expected at least five rupees for the service.[9] Baniyas were, however, commonly considered more trustworthy than Luhanas. There was a Gujarati saying that any caste without a *kano* (the stroke denoting a long *a* vowel sound) or a *matr* (the oblique stroke over a letter denoting that it was followed by an *e* vowel) in their names was not to be trusted. Thus the common Baniya surname 'Shah' had a kano, whereas the common Luhana name 'Thakkar' did not. This gave rise to the saying: '*Thakkar — kanomatr vagarna che ne!*', which meant: 'After all, Thakkar does not have a kanomatr,' which was a way of saying that a Luhana was not to be trusted.[10]

What this brings out is that the distinction between Baniyas and non-Baniyas can at one level be made sociologically. Their marriage system and dietary rules, for example, established fairly unambiguous boundaries between them and others. At another level, however, the distinction rested on a large number of popular stereotypes which bore only a loose relationship to what may be considered sociological 'facts'. These stereotypes, seen often in proverbs and stories, rested on certain localized observations which were then generalized to include all Baniyas. No account was taken of all the various sub-divisions amongst the Baniyas — from the outside all Baniyas were seen to share such qualities. Baniyas were then expected to act in certain ways. The logic of this was that all

[9] Information from Pushker Gokani, Dwarka town, Saurashtra, February 1988.

[10] I am grateful to Kanu Bhavsar for this information.

Baniya actions were seen as either conforming to the stereotype or being an exception which proved the rule. It should be stressed also that the concept of 'the Baniya' was strongly gendered, invoking in popular imagination the male man of business rather than the Baniya woman — known as Baniyain in Hindi and Vaniyan in Gujarati — who ran the household. In the next section I shall examine the ways in which business skills were inculcated amongst Baniya males which reinforced the almost universal belief that 'the Baniya' was by nature superior to all others within this sphere of life.

II

Business methods were taught to Baniya boys from an early age (Baniya girls were hardly ever educated until around the 1930s). For instance, Banarasidas's father, Kharagsen, was sent to school in 1559 when he was aged eight, where, amongst other things, he was taught how to test silver and gold coins and keep properly balanced accounts. As part of his training, he sat with the money-changers in the market to learn their trade. At the age of twelve he began to think of starting a business in his own right.[11]

These Baniya schools, known as *patshalas*, sought to develop a strong business ethos in which it was impressed that the chief aim in life for a Baniya should be to make money, and that no transaction could be considered successful unless it showed a profit. The training was carried out in a systematic and rigorous manner. The boys were taught reading and writing in conventional scripts as well as special merchant scripts which would be unintelligible to non-Baniyas.[12] They were taught also the use of ciphers, account-keeping and arithmetic. Various rhymes and formulas were learnt by rote so that they could carry out the most intricate arithmetical calculations in their heads.[13] They were impressed with the dire consequences

[11] R.C. Sharma, 'The Ardha-Kathanak', p. 54.

[12] In Marwar it was a notorious fact that Baniya writing was almost unintelligible to non-Baniyas. They used an ingenious calligraphy and often ignored vowel-strokes. There is a humorous instance of a Baniya who wrote: *kk ajmt gya hai, n kk kt hai* — meaning that uncle had gone to Ajmer and aunt to Kotah. The recipient of the letter took it to mean, however, that uncle was dead and aunt was bewailing her loss. Phiroze Kothawala, *Census of Marwar State 1911*, Pt. 1, *Report*, Jodhpur, 1916, p, 23.

[13] Some of these are set out by W. Cockburn in *North Indian Notes and Queries*, 3:9,

of incorrect calculation.[14] It was reported from nineteenth century Bikaner that a course in a patshala normally lasted three years. Fees were not high — commonly six maunds of *bajra* grain and eight rupees in cash for the whole three-year course. Wealthy merchants might make an additional donation of a hundred rupees.[15]

Outside school hours Baniya boys were expected to sit in the family shop and learn the family business first hand. They were discouraged from wasting time in frivolous play or idle gossip.[16] Once their education was considered complete, and they demonstrated an ability to be able to deal with customers with responsibility, they were encouraged to try themselves out in a business of their own. This often involved their going to a distant place for some years. Eventually, if successful, they might be entrusted with full responsibility within the family firm.[17]

The establishment of a business required hard work and frugal living.[18] Baniyas were taught never to be idle, and they had in

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December 1893, p. 161.

[14] Baniyas had a reputation for being obsessed with correct calculation. A proverb speaks of their concern to balance their books to their satisfaction: 'A Baniya to find out a difference of a quarter of a pice will burn a pice worth of oil in his lamp'. Brijkishore Bhargava, *Indigenous Banking in Ancient and Medieval India,* Bombay, 1934, p. 169.

[15] P.W. Powlett, *Gazetteer of the Bikaner State,* 2nd ed. Bikaner 1932, originally published 1874, p. 110.

[16] Madanlal Nanavati, 'Religion and Wealth Among the Marwaris (A Sociological Analysis)', unpublished M.A. thesis, University of Rajasthan, Jaipur, 1963, p. 41. This gave rise to the stereotype of the weak and feeble Baniya. 'As a body, the Bunniahs are men of miserable physique and no manliness of character. They spend their lives in their shops, and devote all their time to money-making.' S.S. Thorburn, *Musalmans and Money — Lenders in the Punjab,* Delhi, 1983, 1st ed. 1886, p. 37.

[17] Taknet, *Shekhavati Marwaris,* p. 158. This system continues in a modified form amongst Baniyas in cities today. Thus, Jain merchants in Bombay make their sons sit in their business premises during school holidays, and as soon as they matriculate they are expected to begin work. It is considered a waste of time and money to spend three years studying for a bachelor's degree in commerce; the time is considered better employed in gaining experience and earning money in actual business. Dinesh Agarwal, 'Economic Behaviour of the Jain Merchants (with Special Reference to Bombay City)', unpublished Ph.D. thesis, University of Bombay, 1983, pp. 129–33.

[18] Marx had described the necessity for thrift in any early stage of business: '...every capitalist upstart has to go through this historical stage individually — avarice, and the drive for self-enrichment, are the passions which are entirely predominant.' Karl Marx, *Capital,* vol. 1, p. 741.

consequence a reputation for being a restless people, irritated when there was no work at hand. According to one proverb:

What will the unemployed Baniya do?
Take the corn from this room into that![19]

According to another, heard in Gujarat in the first decade of the nineteenth century:

An idle Baniya weighs his scales.[20]

As little as possible was spent on clothing, food and furniture for the house. By thus keeping daily expenses to a minimum they were able to build up their capital and consolidate their business.[21] Their frugality fed into popular stereotypes. In Gujarat it was believed that after a Baniya had swept his *thali* clean of food, he would then wash his hands in it and drink the water so as not to waste a single morsel. Their spartan lifestyle helped to conceal the profits they made from their business, which was often necessary in the pre-colonial period, when rulers and others with power might appropriate the Baniya's wealth in an arbitrary way. Also, simple living helped to dampen resentment against the Baniyas, as they were not seen to enjoy the fruits of the labour of others in an ostentatious way.

Russell and Lal provide an excellent description of a young Marwari Baniya going out into the world:

The self-denial and tenacity which enable the Bania without capital to lay the foundations of a business are also remarkable. On first settling in a new locality, a Marwari Bania takes service with some shopkeeper, and by dint of the strictest economy puts together a little money. Then the new trader establishes himself in some village and begins to make grain advances to the cultivators on high rates of interest, though occasionally on bad security. He opens a shop and retails grain, pulses, condiments, spices, sugar and flour. From grain he gradually passes to selling cloth and lending money, and being keen and exacting, and having to deal with ignorant and illiterate clients, he acquires wealth; this he invests in purchasing villages, and after a time he blossoms out into a big Seth or banker.[22]

[19] *North Indian Notes and Queries,* 4:9. June 1887, p. 174.

[20] Alexander Walker papers, National Library of Scotland, M.S. 13861, p. 34.

[21] Thomas Timberg, *The Marwaris: From Traders to Industrialists,* New Delhi, 1978, p. 59.

[22] R.V. Russell and H. Lal, *Tribes and Castes of the Central Provinces of India,* vol. III, London, 1916, p. 128.

They quote a couple of proverbs which reflect the Baniya's acumen in this respect:

> If a Baniya gets a rupee he will have an income of eight rupees a month. He comes with a *lota* [brass pot] and goes back with a lakh.[23]

In 1881 S.L. Gavde, the secretary of the Satyashodak Samaj of Maharashtra, related how on numerous occasions he had come across Baniyas who had started their business with a capital of between fifty and one hundred rupees and in a period of from ten to twenty years had made as much as fifty thousand.[24]

Such success depended in the first instance on the ability to accumulate a mass of tiny profits. Short-weighing and adulteration were crucial in this respect. It is a feature of bazaar-style markets, in which goods are unbranded and sold loose, that profits tend to be made by adulteration and short measure rather than by price competition. Only in the shops of modern industrial capitalist society are goods sealed, branded, and the weight and quality marked, leading to competition primarily by price.[25] Baniya short-weighing was facilitated by the fact that there were no standard weights or measures. Grain was often weighed by bricks or stones in bags. Standards varied even within small localities. In the 1920s it was reported from Khandesh that each village seemed to have its own weight system and in some the maund had two different values.[26] These practices were reflected in an observation about Baniyas from Marwar:

> While weighing with scales he shoves them down surreptitiously with his wrist. Like a scarecrow, the debts owed to him are deceptive. In capturing his victim he employs all the cunning of a deer-trapper. He overvalues and exaggerates the weight of what he gives, and he undervalues and underweighs what he gives by a quarter. Thus he is none but a Baori [a caste known for petty theft] in the guise of a Baniya.[27]

[23] Ibid., p. 129.

[24] S.L. Gavda to D.K. Dalve, 30 March 1888, BA, J.D., 1890, 83. pt.1. Not all Baniya migrants of course succeeded — it was reported from Khandesh in 1880 that destitute Marwari Baniya beggers were a not unknown sight. *Gazetteer of the Bombay Presidency,* vol. XII, *Khandesh*, Bombay, 1880, pp. 60–1.

[25] F. Fanselow, 'The Bazaar Economy or How Bizarre is the Bazaar Really?', *Man,* 25:2, June 1990, p. 253.

[26] N. Charlesworth, *Peasants and Imperial Rule*, Cambridge, 1985, p. 91.

[27] Pandit Sukhdeo Prasad, *The Final Report of the Famine Operations in Marwar during*

Besides underweighing, profits were accrued by the regular undervaluing of a client's debt-servicing repayments. The normal method in this respect was to enter a lower value in the account book. According to a British official of Nasik district, writing in 1888: 'The most common complaint against the creditors made in this district is that the creditor neglected to enter in his books payments in kind or entered a smaller amount than was really made.'[28]

In turning their dealings to their advantage in these ways, Baniyas were renowned for their smooth tongue. They cultivated a soft but persuasive way of speech, in which they extolled the quality of the goods they had for sale and their generosity in providing loans. They would emphasize their own high caste status, the merit they accrued through the careful observation of their religion and their honourable intentions. They would always try to avoid a confrontation with customers and clients, backing down when necessary.

Because their transactions had these dubious qualities, they had a habit of extreme secretiveness in their business. Accounts were written in special scripts or deliberately obscure handwriting. In the words of one proverb: 'Even God cannot read the Baniya's writing.'[29] Each Baniya had his own individual method of keeping accounts, sometimes varying the method at different times and with different clients.[30] Two sets of books were often maintained, one for presenting in courts and to officials if the necessity arose, and the other for family eyes alone.[31] As far as possible, non-family members were not allowed to see any books. In the case of a dispute, Baniyas preferred to have other Baniyas examine the case and arbitrate so that details of their business dealings would not be known outside the community.[32]

Baniyas were also known for their foresight. According to a proverb from Rajasthan:

Baniya thinks in terms of the future,
Jat thinks in terms of the past,

1899 and 1900, Jodhpur, 1900, p. 185.

[28] Report by the assistant collector of Nasik district, 20 July 1888, BA, J.D. 83, pt. 2/362.

[29] P. Mishra, *Kahavat Kaumudi* (in Hindi), Etavah, 1926, p. 102.

[30] *Redemption of Agricultural Indebtedness in Bhavnagar State*, Bombay, 1934, p. 18.

[31] C. Cottam Ellis, 'Jain Merchant Castes of Rajasthan', p. 103.

[32] D. Haynes, *Rhetoric and Ritual*, p. 62.

Turk thinks quickly,
Brahman only reads the scriptures.[33]

Or:

A Baniya is well known for his foresight and a Brahman for his stupidity.[34]

Such foresight was critical for business success. It was cultivated by the habit of keeping the eyes and ears open to events, and by maintaining an extensive intelligence network. Baniyas paid messengers to bring them news of any event which might affect business confidence and prices. In Maharashtra, for instance, leading bankers knew through their own messengers that the Maratha army had been defeated at Panipat even before the Peshwa was informed.[35] Some Baniyas in Rajasthan maintained their own postal system, which was much faster than the official one, to forewarn them of price changes.[36] In the Shekhavati region, Baniyas had a system of flashing messages about prices between distant hills, known as *chilka ka dak*. By day a mirror was used, and by night flashes of gunpowder.[37]

Many Baniyas used such knowledge to speculate in future prices. Although frowned on by the British, there were future markets for agricultural produce, opium, gold, silver, government promissory notes, even gunny sacks. No produce actually changed hands. During the nineteenth century opium futures were most popular, as prices were extremely unstable. Marwari firms were made or ruined in such speculation. The Birlas, for instance, rose as a result of successful speculation in opium futures.[38] It was reported from Malwa in 1818 that sahukars and their agents were fabricating rumours to cause bills of exchange on which they had speculated to rise and fall. In Ujain, it was reported, these bills were 'an article of great gambling among what are termed the most respectable bankers'.[39]

[33] Manju Bhatnagar, 'Oral Tradition and Society in Rajasthan: A Sociological Study of Folk Songs in a Selected Linguistic Region', unpublished Ph.D. thesis, University of Rajasthan, Jaipur, 1970.

[34] *Census of Marwar State 1911*, pt. I, *Report*, p. 33.

[35] Arthur Lyall, *Asiatic Studies*, First Series, London, 1899, p. 258.

[36] P.W. Powlett, *Gazetteer of the Bikaner State*, p. 105.

[37] Taknet, *Shekhavati Marwaris*, p. 161.

[38] Powlett, *Gazetteer of Bikaner State*, pp. 104–5; Timberg, *Marwaris*, pp. 161–4; Evidence of Dhulia Taluka Agricultural Development Association, 12 November 1929, *Report of the Bombay Provincial Banking Enquiry Committee 1929–1930*, vol. II, Bombay, 1930, p. 733.

[39] John Malcolm, 21 October 1818, NAI, F.D. Pol, 21 November 1818, 47–9.

The Baniya's love for speculation was reflected in the proverb: 'The ruined Shah [a common Baniya name] speculates in his heart.'[40]

Speculation frequently passed into straightforward gambling. In Marwar it was common for Baniyas to take bets on the rainfall. Plates and vessels were left on a roof, and adjudicators determined the extent to which it had rained by counting the number of drops on a plate or weighing the water in the vessel. Bets could be placed on the number of drops or the weight of water. This form of betting was so common in Bikaner state in the nineteenth century that there was a tax on it.[41] Baniyas were in the habit of seeing their new year in at Diwali by passing the night in gambling.[42] It was believed that this determined the outcome of speculative and gambling ventures in the forthcoming year. If successful on Diwali night, a Baniya would feel encouraged to speculate and gamble freely the next year; if not, he would confine himself to routine business.[43] Many observers saw gambling as one of the greatest vices of the Baniyas. The Gujarati poet Samal Bhatt (1679–1759) poured scorn on them for this weakness.[44] H.G. Briggs, writing in the mid-nineteenth century, praised the Jain Baniya of Gujarat, but noted that 'the spirit of gambling appears to act as a blight upon his race'.[45]

Baniyas had the reputation of trying to avoid any open conflict which might compromise their business activities. Whenever possible, they referred problems to their panchayats or mahajans, who would listen to the evidence in confidence, and then try to bring the two

[40] *Panjab Notes and Queries,* 3:31, April 1886, p. 124.

[41] Powlett, *Gazetteer of Bikaner State,* p. 161. Such gambling is popular in Bikaner even today, although it is now illegal. During the monsoons, transactions can cross several lakhs of rupees in a day. *India Today,* 15 August 1990. Marwaris who migrated to Calcutta in the nineteenth century gambled on whether it would rain on a particular day. The practice was banned by the British, but the ban was widely flouted. Dipesh Chakrabarty, *Rethinking Working Class History: Bengal 1890–1940,* Princeton, 1989, p. 188, ft. 12.

[42] According to the *Mirat-ul-Istilah* (1745–1746) it was considered auspicious to handle gold throughout the night of Diwali. It became a custom to gamble so as to prevent sleep. *North Indian Notes and Queries,* 4:4, July 1894, p. 70; see also ibid., 5:3, June 1895, pp. 53–4.

[43] *Panjab Notes and Queries,* 2:9, June 1885, p. 152. J. Todd, *Annals and Antiquities of Rajasthan,* vol. II, p. 695.

[44] M.R. Majumdar, *Cultural History of Gujarat,* Bombay, 1965, p. 191.

[45] H.G. Briggs, *The Cities of Gujarashtra,* Bombay, 1849, p. 353.

sides together, imposing a fine on a wrongdoer if necessary.[46] Because they preferred to compromise rather than make a public stand, they were often said to be cowardly people, with no sense of honour.[47] When Gujaratis said: '*Vaniyani muchh nichi!* ' ('the Baniya's moustache droops down!'), they were referring to this supposed deficiency, it being assumed that only those whose moustaches were waxed in an upward sweep, like the Rajputs, maintained a strong sense of honour.

Baniyas did, however, have their own less aggressive but no less strong sense of honour, expressed in the concept of *abru*. Abru meant both 'credit' and 'honour', which implied that the honour of the businessman rested above all in his credit-worthiness. Baniyas were said to value credit-worthiness more highly than lives.[48] This was meant quite literally, for bankrupts commonly threatened to commit suicide, and not infrequently did so.[49] Bankrupts were made to bear the stigma in public, being forced in Maharashtra to wear their turbans back to front, and in Rajasthan to wear a white turban, with the women of the family being forbidden coloured clothes. In other cases they were made to burn a lamp in their shop in broad daylight. Often, also, they were socially boycotted.[50] It was, in consequence, vital for Baniyas to avoid even the slightest suspicion of insolvency. They were careful to honour commitments, such as repaying money entrusted to them or encashing hundis in their name, with minimum delay. This involved keeping a good deal of cash in hand at all times.[51] Reputations were often judged in such terms. There was a saying common in Surat that the abru of the seventeenth century banker, Atmaram Bukharan, was so great that

[46] D. Haynes, *Rhetoric and Ritual*, p. 67.

[47] One of the definitions of the Hindi word 'Baniya' is that of 'a timid man'. R.S. McGregor, *The Oxford Hindi-English Dictionary*, New Delhi, 1993, p. 706.

[48] C.P. Doshi to Babubhai Patel, 23 June 1939, BA, R.D. 3791/33 XII.

[49] Petition from 210 sahukars of Sholapur district, 23 November 1882, BA, J.D., 1883, 61/27. These sahukars were unable to repay money advanced to them by bigger sahukars. They complained: 'We have no remedy left. We shall have to commit suicide to preserve our character.'

[50] The Marathi expression for a bankrupt was *pagoten phiralen*, or 'turned turban'. *Panjab Notes and Queries*, 3:32, May 1886, p. 131. Also, ibid., 3:28, January 1886, p. 59. Taknet, *Shekhavati Marwaris*, p. 172.

[51] *Report of the Bombay Banking Enquiry Committee 1929–1930*, vol. I, Bombay, 1930, p. 197.

a hundi in his name would be honoured even if tied to the branch of a tree.[52]

Coupled with this was the need to maintain a reputation for scrupulous honesty in dealings with other Baniyas. If any Baniya was found to have swindled another, or even to have acted with impropriety, for instance, by gambling with money entrusted for safekeeping, he was likely to be boycotted, even expelled from the town, and thus effectively forced out of business.[53] Because honesty was valued so highly, insolvency caused by misfortune alone was judged less harshly than insolvency caused through dishonesty. If a Baniya had failed as a result of bad luck it was possible to restart a business — though it could only be done with difficulty, as abru was built up only through years of effort. If the failure had been caused by dishonesty, it was unlikely that the Baniya would be able to continue his business in that place.[54] In this respect, there were degrees of dishonour.

Abru thus involved a sense of trust in the business probity of a Baniya. For this reason it was considered the worst insult to a Baniya to doubt his word in business matters. When sums or goods were deposited with a Baniya for safekeeping or in repayment of debts, no receipts were given.[55] To ask for a receipt was a slur on his honour. It was likewise considered an insult to demand to inspect the account books of a Baniya. A Baniya of Surat thus complained in 1929 that his abru was being damaged by the law which forced him to show his books to income tax inspectors.[56]

Abru was closely associated with morality. When a sahukar of Barsi in Sholapur district complained about the effects of the Deccan Agriculturist Relief Act, he stated: 'Thus the ultimate result of the Act is to lower the credit of agricultural class by encouraging dishonesty to the utmost degree... It has destroyed the moral backbone of

[52] Evidence of H.V. Desai, Surat, 19 November 1929, *Bombay Banking Enquiry 1929–1930*, vol. III, p. 103.

[53] C. Cottam Ellis, 'Jain Merchant Castes of Rajasthan', pp. 99–100.

[54] Because of this, Baniya mahajans made a thorough investigation of the causes of a business failure before passing judgement. Haynes, *Rhetoric and Ritual*, p. 62. See also *Deccan Riots Commission*, Appendix B, Bombay, 1876, p. 220.

[55] A. Wingate, Assistant Collector's Report, Satara district 1874–1875, BA, R.D., 1875, 8/608.

[56] Evidence of Kalidas Bharatia, 20 November 1919, *Bombay Banking Enquiry Report 1929–1930*, vol. III, p. 133.

society.'[57] Here, honesty implied credit-worthiness, the two together being 'the moral backbone of society'.

Baniyas were also expected to act with social and religious recitude. Children had to be married within the community according to community customs. Failure to do so meant a loss of abru.[58] The Baniya family had to operate according to strict patriarchal principles, with deference being shown to the head of the household and with the women of the house acting in a submissive and modest way. It was believed that in a family without a strong head daughters-in-law would begin to talk out of turn, and children would become unruly and eventually deviant — leading to the inevitable decay of the family.[59] Abru was compromised if a Baniya was seen to be over-familiar with a person of low caste. Baniyas were expected to practise their religion in a scrupulous manner. Certain occupations were considered disreputable for Jain Baniyas as they involved violence to living creatures. In 1851 the Dasha Shrimali Jain Baniyas of Kathiawar tried to stop all members of the community from trading in tobacco, gun-powder, lead ballast and other goods said to involve *himsa*.[60] Abru was also maintained by regular attendance at temples and by the correct celebration of festivals. No Baniya who ate meat, fish or other forbidden foods, or who drank liquor, could be considered to have any abru (unless of course he had abandoned the Baniya value system, becoming a nobleman or mutsadi).

A Baniya with a large business was considered to have greater abru than one with a small business. For this reason the town banker was believed to be 'better' than the village shopkeeper and moneylender. The big businessman was likely to have a larger and grander place of residence, richer and more respectable clients, and more influential contacts in high places.[61] The latter depended in the pre-colonial period, as we have seen in chapter two, on lavish gifting to those in power.

Once a certain level of wealth had been attained, Baniyas consolidated

[57] Evidence of B.P. Sulakhe, Barsi, 9 October 1929, ibid., vol. III, p. 569.

[58] D. Haynes, *Rhetoric and Ritual*, p. 56.

[59] M. Nanavati, 'Religion and Wealth among the Marwaris', pp. 50–70.

[60] Although the ban did not hold for long, it reveals certain expectations about what was considered correct behaviour. C.M. Doshi, 'Shrimali Jain Banias of Kathiawar', pp. 174–5.

[61] C. Bayly, *Rulers, Townsmen, Bazaars*, p. 373.

their position through a careful display of bounty.[62] This helps to explain the otherwise paradoxical fact that while, on the one hand, Baniyas had a reputation for frugality and simplicity of lifestyles, on the other they often flaunted their wealth in a most ostentatious manner.[63] At a certain stage it became necessary for Baniya businessmen of ambition to translate some of their financial capital into what Pierre Bourdieu has called 'symbolic capital', which meant, in the western Indian context, investing in the enhancement of abru.[64] Baniyas who had made their fortunes held expensive feasts, sometimes for a marriage, sometimes at a death, or in some cases merely to fulfil a desire for show, as when Brahmans were feasted. In Marwar, wealthy Baniyas vied to outdo each other in this respect. For instance, when a member of the Goenka family died in 1908, Rs 250,000 was spent on feasting 75,000 people at the family's home village of Dhundlod.[65] In 1893 the government of Jodhpur state tried to ban all such feasts as so much money was, it was felt, being squandered. In 1914 the ban had to be lifted under pressure from rich Baniyas.[66] Baniyas also invested their wealth in jewellery

[62] In the words of Marx: 'When a certain stage of development has been reached, a conventional degree of prodigality, which is also an exhibition of wealth, and consequently a source of credit, becomes a business necessity to the 'unfortunate' capitalist. Luxury enters into capital's expenses of representation. Moreover, the capitalist gets rich, not, like the miser, in proportion to his personal labour and restricted consumption, but at the same rate as he squeezes labour-power from others, and compels the worker to renounce all the enjoyments of life. Thus although the expenditure of the capitalist never possesses the bona fide character of the dashing feudal lord's prodigality, but, on the contrary, is always restrained by his sordid avarice and anxious calculation lurking in the background, this expenditure nevertheless grows with his accumulation, without the one necessarily restricting the other. At the same time, however, there develops in the breast of the capitalist a Faustian conflict between the passion for accumulation and the desire for enjoyment.' Marx, *Capital*, vol. 1, p. 741.

[63] At a conference of anthropologists working on Jains held in Cambridge in 1985 there was some debate on this paradox. Ingenious explanations were put forward, such as that Jain austerity became meaningful only against a background of ostentatious consumption which could be renounced. Ray Norman appears to have come closest to the truth when he argued that Jains are full of contradictions, and that while they are, when questioned, critical of luxurious show, they feel compelled to act ostentatiously for social reasons. He might have added that they derive some enjoyment from it too. Michael Carrithers, 'Jain Ideals and Jain Identity', in Carrithers and Humphrises, *Assembly of Listeners*, p. 17.

[64] Pierre Bourdieu, *Outline of a Theory of Practice*, Cambridge, 1974, p. 195. This point is made by Douglas Haynes in the context of the Baniyas of Surat in *Rhetoric and Ritual*, p. 59.

[65] Timberg, *Marwaris*, p. 59.

[66] Bal Kishen, *Report on the Co-operative Movement in Marwar*, Jodhpur, 1937, p. 2.

and ornaments.[67] Whilst the Baniya men tended to wear a few discrete gold and silver ornaments, a Baniya woman was often made to act as a walking showcase for her husband's wealth, with heavy gold earrings and nose rings studded with pearls and rubies, necklaces and bracelets of gold and anklets of silver.[68] The other major form of ostentatious show was in the building of mansions — *havelis.* The towns of Rajasthan and Gujarat were full of such Baniya mansions, with intricately-carved stone or wooden facades.

Most important, for the purpose of abru, was giving donations for sacred causes. Baniyas commonly donated large portions of their wealth to temples and to celebrate religious festivals. They financed the building of temples and *dharmashalas.* There was a Gujarati saying: 'Gifts by the lakh, accounts by the penny.' Merchants sometimes exhausted their entire capital in the celebration of a single festival.[69] In Rajasthan Baniyas held donation auctions. These might involve members of a local religious group bidding against each other for the honour of performing various functions during a festival, such as the puja *arti,* or feeding those attending the festival.[70] Or they might bid to provide funds for their temple for, perhaps, a rebuilding programme. These auctions were conducted in the temple when all the prominent members of the congregation had gathered. Those who donated had their name and the amount donated inscribed on a stone slab which was displayed prominently in the restored or rebuilt temple.[71]

Vaishnavite and Jain religious festivals and functions provided an occasion for lavish displays of Baniya wealth. Thus, in Rajasthan, on the occasion of Mahavir Jayanti — in April — the streets of the Baniyas were decorated with gold and silver bunting, and a procession was held for the *murti* of Mahavir with hired bands and dancing girls. A young married couple from the Baniya household which had donated the largest sum towards the festival rode through the

[67] P.W. Powlett, *Gazetteer of the Bikaner State,* p. 110.

[68] C.M. Doshi, 'The Dasha Shrimali Jain Baniyas of Kathiawar', unpublished M.A. thesis, University of Bombay 1993, pp. 259–62; *Gazetteer of the Bombay Presidency,* vol. XVII, *Ahmadnagar,* Bombay, 1884, p. 77.

[69] D. Haynes, *Rhetoric and Ritual,* pp. 58–9.

[70] N.K. Sinha, 'A Study of Jains in a Rajasthan Town', in Carrithers and Humphries (ed.), *Assembly of Listeners,* p. 148.

[71] J. Reynell, 'Women and the Reproduction of the Jain Community', in ibid., pp. 51–2.

streets on the back of an elephant.[72] In Sirohi, the Jain Baniyas performed a collective fast which was brought to an end in a lavish ceremony, in which gifts of money, or even gold ornaments, were presented to all those who had fasted. Public fasts were also performed by Jain women which were preceded by a sumptuous meal, then brought to an end in a public procession to the temple. The *tapasvi* (woman who had fasted) was dressed in fine clothes and heavy jewellery and a feast was given to the relatives or to all the Jains or to all the Baniyas of the place, depending on the economic status of the family concerned. When a young Jain decided to become a *sadhu* or *sadhvi*, a procession was held in which handfuls of coins were thrown into the crowd at every step. The general rule in such a ceremony was that for every act of *tapasya* (self denial), there was a corresponding act of ostentatious extravagance.[73] In all these cases, the ability to indulge in such displays of public munificence without stinting revealed the wealth of a family and provided a gauge of its *abru*.

III

All this was tied up with religious beliefs and practices inculcated from a very early age. Children were raised by their mothers in an atmosphere of strong religiousity. They told them religious stories and precepts and taught them to value their ceremonies and festivals. Children were taken along when their mothers visited the local temple — which was very frequently — so as not to disturb their fathers working in the family shops. Josephine Reynell has pointed out how this tied up for Jain Baniya boys with the more male world of business:

> As they grow older and begin to help their fathers in the family business they learn that the religious world of their mother is in fact closely entwined with the business world of their father. The sense of Jain identity which they initially owe to their mother is significant economically because the very wealth and success of the Jain religious group as a business group appears to be predicated on the retention of wealth and resources within the religious group. At the very least, the Jain identity instilled into the

[72] C. Cottam Ellis, 'Jain Merchant Castes of Rajasthan', ibid., p. 96.

[73] N.K. Singhi, 'Jains in a Rajasthan Town', ibid., pp. 145 and 150.

men during childhood by their mothers contributes to the maintenance of these religious-business boundaries.[74]

In this, no sense of antagonism was posed between the belief systems and practices of the Jain and Vaishnavite Baniyas. Many rituals, prayers and ceremonies were common to both, and young people were brought up to respect each other's gods and goddesses.[75]

Success in business was closely related to religious merit. It was commonly believed that if a Baniya suffered hardship or failed in business, it was due to a lack of faith in God, or to his sins.[76] This could be avoided in a number of ways. Generous donations to temples and charities were considered important; we have already examined how this was done in an often ostentatious manner. Public service to religious causes was also believed meritorious in this respect. In a town of any size in Gujarat or Rajasthan the Baniyas ran a number of religious associations to look after temples and related institutions, such as homes for cows (*gaushalas*) and destitute animals (*panjrapols*). There were normally separate bodies to look after Vaisnavite and Jain temples and the animal homes. These helped organize the celebration of festivals and journeys on pilgrimage. They could raise funds for charitable concerns, for instance, the education of poor Baniyas; for providing maintenance for Baniya orphans and widows; and for feeding the poor. These associations were run by leading Baniyas, who thereby gained a reputation for good work and leadership abilities.[77]

Most important of all was the merit which came from faith and devotion. For Vaishnavites, this involved *seva* (service) to Lord Krishna. Vallabhacharya Vaisnavites worshipped the murti of Krishna in the form of Srinathji either at the temple (known as the haveli) or at a home shrine.[78] This seva was performed with immense emotional enthusiasm, involving song, chant, supplication, even dance. Divine

[74] Josephine Reynell, 'Women and the Reproduction of the Jain Community', in Carrithers and Humphries, *Assembly of Listeners*, pp. 59–60.

[75] G.N. Sharma, *Social Life in Medieval Rajasthan*, pp. 217–18.

[76] Madanlal Nanavati, 'Religion and Wealth among the Marwaris', unpublished M.A. thesis, University of Rajasthan, Jaipur 1963, pp. 28–30.

[77] C. Cottam Ellis, 'Jain Merchant Castes of Rajasthan', pp. 94–6 and 104–05; N.K. Singhi, 'Jains in a Rajasthan Town', pp. 146–7; N.A. Thoothi, *The Vaishnavas of Gujarat*, Bombay, 1935, p. 198.

[78] Enthoven, *Tribes and Castes of Bombay Presidency*, vol. III, p. 423.

guidance and help were sought for the most trivial of problems facing a devotee.[79] Jain worship was far more austere and stressed on *tapas* or self-denial. The ideal Jain took five vows, involving abstention from violence, falsehood, thieving, unchasity and worldly attachment.[80] Although no Jain lay person could carry on business and follow these vows in their entirety, they provided an ideal towards which to aspire. In a recent survey of the Jain Baniyas of Bombay city, it was found that the Jain men who were interviewed generally believed in the moral superiority of such ideals, and claimed that they tried to put these ethics into practice in their daily life as much as possible. Nearly two-thirds of those questioned said that they would not engage in an occupation that did not conform to their religion. Although many recognized that their occupations involved breaking Jain injunctions to a greater or lesser extent, they felt that they could at least try not to violate them in a direct way. For instance, although the trade in grain involved killing parasites which infested the grain, Jain merchants might allow employees to use pesticides, but would not apply them themselves.[81] Although it is easy to dismiss such behaviour as hypocritical, these ethics had a meaning in that they provided an ideal towards which to strive, with honour and respect being given to those who succeeded more than others.

Vilas Sangave has summarized some of the qualities of the good Jain, which in almost all respects was also an ideal for Vaishnavite Baniyas:

> He should follow some kind of business which is not of an ignoble nature and that too in a just and honest way. He should marry a person of like culture. He should avoid dangerous pursuits like gambling and others. He should control the enjoyment of sense pleasures. He should avoid places of difficulties and dangers. He should live in a country where he would get adequate protection. He should get the company of virtuous people like saints. His house should be in a decent locality. He should not dress extravagantly. His expenses should be in proportion to his income. He should follow the main regional customs if they do not go against the principles of Jainism... He...should impress the lower people by his higher life.[82]

[79] Thoothi, *Vaishnavas of Gujarat*, pp. 93–5.

[80] Vilas Adinath Sangave, *Jaina Community: A Social Survey*, Bombay, 1980, p. 219.

[81] Dinesh Agarwal, 'Economic Behaviour of the Jain Merchants (with special reference to Bombay City)', unpublished Ph.D. thesis, University of Bombay 1983, pp. 124–6.

[82] V. Sangave, *Jaina Community*, pp. 214–15.

This quotation helps to bring out the way in which, for Baniyas, following a religion involved a whole way of life. Although Sangave talks about 'the Jain' — who is gendered here as a male — the dictums applied to a family as a whole. The successful and righteous household was one which was seen to conform to this moral path.

Devotion to God was very much a family affair, performed in the home on a daily basis. Madanlal Nanavati has described a Baniya family which migrated from Churu to Jaipur in the 1930s, and was moderately prosperous. Every member of the family, he said, was a devout Vaishnavite. They all prayed to Shyamji (Krishna), their family deity on the twenty-seventh day of each month. Lakshmi was worshipped every day in the house and at the shop. Every morning the family head, his wife and eldest son bathed with cold water and then burnt *agarbatti* (incense sticks) and meditated for a few minutes. They then prayed: '*O Lakshmi Mata, Tumko, Nishidin Dhyawat Har Vishnu Vidhata.*' It was believed that the family would thereby be blessed with affluence and happiness. Every Tuesday the eldest son visited the Hanuman murti at Champole Gate and offered coconuts and recited a few couplets from the *Ramayan.* Members of the family told Nanavati that if they performed their devotions well and also worked hard in their business, God was sure to reward them with prosperity.[83]

Another Baniya told Nanavati how he rose every day at five in the morning and had a cold bath, even in winter. All the family members had a deep faith in Shyamji, Lakshmi and Hanuman. They considered Hanuman their particular family deity, and every morning the Baniya spent half an hour reciting the *Ramayan* and burning agarbatti before the household murti of Hanuman. The Baniya's wife went to the Hanuman temple every day and distributed money or grain to beggars. Before going to bed at night the family members all bowed and did *namaste* before the household murti of Lakshmi.[84] Yet another Baniya told Nanavati that he and his second son prayed together to Lakshmi every morning, which included bowing their heads to the threshold of the shop and touching money to their foreheads.[85]

Christine Cottam Ellis, who studied the Baniyas of a small town

[83] Madanlal Nanavati, 'Religion and Wealth among the Marwaris', pp. 47–8.

[84] Ibid., pp. 23–7.

[85] Ibid., pp. 40.

of Jaipur district, found that every sizeable Baniya house-cum-shop had a puja room, where portraits of deceased family patriarchs were kept. The women of the household performed a daily arti for the *kuldevi*, or family goddess. This helped to connect the family with its forebears and stress continuity and respectability over time. All Baniyas, Jain as well as Vaishnavite, performed *Lakshmipuja* before beginning work each day. The representation of Lakshmi was dusted first, and then the other revered ritual objects, which included the portraits of the patriarchs and old account books. Agarbattis were burnt and a new page was opened in the daily cashbook. This was decorated with sacred symbols — such as the *swastik* sign for Ganesh, and the names of ancestors. Anyone who entered the shop had to remove his shoes and refrain from smoking so as not to pollute what was considered a sacred place. It was believed that the cashbox could be polluted if care was not taken.[86] This brings out well how the family business was considered inseparable from the shop and the family, which included dead as well as living members, and that all had to be diligent in their devotion to God if the business was to succeed.

It was Lakshmi above all who ensured the wealth and welfare of the family. It was said that a family 'with *lakshmi*' (wealth) was one which was prosperous. This use of the term as a noun is seen in the proverb:

In the house of the charitable man,
There is always wealth (*lakshmi*),
Just as the mortar,
Is served always to the mason by the labourer.[87]

Likewise:

When Lakshmi comes to set a mark on one's forehead,
One should not go to wash one's face.[88]

Wealth was thus considered something very positive. As stated in the *Mahabharata*:

One who robs another of wealth robs him of his virtue as well. Poverty is a state of sinfulness. From wealth springs all religious acts, all pleasures

[86] C. Cottam Ellis, 'Jain Merchant Castes of Rajasthan', pp. 101–3.

[87] *North Indian Notes and Queries*, 3:2, May 1893.

[88] Gujarati proverb in Taylor, *The Student's Gujarati Grammar*, Ahmedabad, 1975, p. 482.

and heaven itself. Without wealth a man cannot find the very means of sustaining life.[89]

Lakshmi bestowed not only wealth on the family, but also well-being and harmony. A family 'with lakshmi' was considered to be one in which the benevolent writ of the leading patriarch ruled and in which there was love between family members; the family house was decent and clean; and the store full of grain and other provisions.

Because Lakshmi was of such importance to the Baniya way of life, she was worshipped by Jains as well as Vaisnavites. Many Jain Baniyas justified this by arguing that Lord Mahavira was a renouncer who would not provide blessings for material gain, forcing them to turn to Lakshmi.[90] Although the goddess was worshipped every day, her great festival was Diwali. Days before the actual date, the house was thoroughly cleaned and tarnished vessels scoured till they gleamed. New clothes were purchased to don on the day of Diwali. The idea was to make the house into an abode which would be agreeable to Lakshmi. New account books were purchased, to be opened on the day of Diwali. Diwali was thus the beginning of the financial year. On the night before Diwali, there was the ceremony of *vahi* or *chopada puja*, meaning the worship of the account books. The old and the new books were placed before the household image of Lakshmi. Sometimes pens, ink and scales were also placed here. The books and the tools of trade were surrounded with oil lamps, and *kumkum*, rice and flowers were strewn over them. A Brahman priest recited prayers for the favour of the goddess in the following year, making a swastik or other signs on the first page of the new books. In some cases, old gold and silver coins were taken out, bathed in milk and similarly worshipped. After the ceremony was over, gifts were presented to the priest and to all the family members, and sweets were distributed. The ceremony was performed by Jain and Vaishnavite Baniyas alike.[91]

[89] *Mahabharat, Shantiparra,* VIII, quoted in B. Bhargava, *Indigenous Banking in Ancient and Medieval India,* p. 69.

[90] D. Agarwal, 'Jain Merchants of Bombay', p. 149.

[91] J. Tod, *Annals and Antiquities of Rajasthan,* vol. II, p. 695; Arthur Steele, *Summary of the Law and Custom of Hindu Castes within the Dekhun Provinces,* London, 1868, p. 301; *Panjab Notes and Queries,* 2:9, June 1885, pp. 146–7 and 3:26, November 1885, p. 25; C.M. Doshi, 'Dasha Shrimali Jain Baniyas of Kathiawad', pp. 317–20; Beni Gupta, 'Magical Belief and Superstitions in Rajasthan', *Journal of Rajasthan Institute of Historical Research,* 10:2, April–June 1973, p. 23; C. Cottam Ellis, 'Jain Merchant Castes of Rajasthan',

Lakshmi was not the only bestower of such pecuniary blessings. It was common to consult astrologers to determine an auspicious day on which to begin a business affair. On the day of commencement, various omens were sought. Thus in Rajasthan, Baniyas considered that if they saw a woman carrying a pot of water on her head before beginning an enterprise, they would have success. It became a custom for a woman of the house or a maidservant to walk before the Baniya before he began his business. Likewise, the sight of a cow with a calf was considered good, but a cat crossing the road, or someone sneezing was considered inauspicious.[92] Banarasidas often sough divine help before beginning a venture. In 1614 he and another Jain Baniya went to Banaras for business. On their arrival in the city they first offered prayers to Parsvanath and then took a vow to abstain from sexual intercourse, to fast and abstain from certain foods, and to recite a certain *mantra*. After the business had been completed to their satisfaction, they again worshipped Parsvanath, and returned home and no longer maintained the vows.[93] On another occasion, when performing a pilgrimage, Banarasidas vowed to the deity that if he obtained wealth he would perform the pilgrimage again.[94] Another time, Banarasidas met an ascetic who told him that he had a mantra, which, if recited secretly in the lavatory each day for a year, would bring a coin each day during the following year. Banarasidas did this for a year, but at the end of it there were no coins.[95]

A story is told of how the Birlas laid the basis of their fortune through reverence for the sant Baba Ganesh Narayan, who lived near their home at Chirawa in the Shekhavati region of Rajasthan. When G.D. Birla and his elder brother were young they used to go daily on foot to the sant. The holy man was pleased with their devotion and one day blessed them with the saying *karni bharni*, meaning 'go and work hard, success will then come to you automatically'. G.D. Birla, then aged fifteen, began working in his father's

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p. 104. The ceremony was an old one, being mentioned in a record from Kota of 1659. G.N. Sharma, *Social Life in Medieval Rajasthan*, p. 171.

92 Beni Gupta, 'Magical Belief and Superstitions in Rajasthan', *Journal of Rajasthan Institute of Historical Research*, 10:2, April–June 1973, p. 24.

93 'Ardh-Kathanak', p. 107.

94 Ibid., p. 105.

95 Ibid., pp. 64–5.

business in Pilani, and later went to Bombay. Baba Ganesh Narayan had told him to carry out an act of charity every day; so each day he and other family members gave something in charity. Every morning he spent an hour praying to the goddess Lakshmi. His business soon expanded, and each new branch was opened with the worship of Ganesh and Lakshmi. He was later to become one of the richest men in India, and he always believed that this was through the blessings of Baba Ganesh Narayan.[96]

God, therefore, also blessed the charitable. Those who redistributed a portion of their wealth amongst the poor would, it was believed, enjoy success in business. In the words of one prosperous Baniya: 'Every pauper must be fed well and every man who comes to my door, should not return empty-handed. God helps those who help others and hence I believe in it. What I have given up this time, I have been given much more by Him.'[97] Conversely, a lack of charitable acts could bring misfortune. There was a belief amongst Baniyas in the Merta region of Rajasthan that if a person died of hunger in a town or village of a Baniya, the sin of that death would fall on the Baniya.[98] Baniya charity was in this respect encouraged more by the desire for material reward than by humanitarian concern.

IV

The Baniyas thus had their particular ethos which on the one hand furthered their business dealings and on the other made them believe that their life was being lived according to dharmic principles. This ethos was critical in sustaining the identity and solidarity of the community. I have already pointed out certain incongruities within it, such as the coexistence of austerity and thrift with ostentatious expenditure to raise one's status within the community. In this last section of the chapter I shall examine the greatest incongruity of all, which is that while they considered themselves good and moral people they also exploited and often swindled their fellow human

[96] Madanlal Nanavati, 'Religion and Wealth among the Marwaris', pp. 15–19.

[97] Ibid., p. 27.

[98] Interview with Jatan Raj Mehta, Merta, April 1987.

beings in a most shameless manner. How could they feel comfortable with such behaviour?

Some flatly denied that they were — as a class — given to swindling. When the new Congress government assumed power in Bombay in 1937 and announced legislation to check usury, a Baniya of the small town of Kapadvanj in Gujarat wrote indignantly to the finance minister, Morarji Desai:

> People are stunned to see the present trend of legislation on the part of the first national government contrary to all their imaginations... We feel that the middle class innocent town people are offered as a sacrifice to satisfy the fury of socialists and communists. There may be, as in every other profession, some black sheep amongst us, for sake of which the whole class should not be punished.[99]

Similarly, a representation by ten moneylenders to the governor of Bombay in 1941 claimed that: '...the moneylending class of Gujarat is well known for its fairness...'[100]

No doubt there were some Baniyas who dealt with their clients with scrupulous honesty, but few outside the community were prepared to see this as typical. According to T.K. Trivedi, who carried out a detailed survey of the sahukars of Bhavnagar state in 1931: 'One did occasionally come across instances of a sowcar here and there, who was fair in his dealings with the kheduts [peasants]. But these were so rare and isolated, as only to emphasize the general sombreness of the picture.'[101] A telling incident in this respect is related in Mahipati's life of Tukaram. When Tukaram went with a group of merchants to sell goods in a distant part, they were both astonished and offended by his refusal to use sharp practices in his business. 'This Tuka who has come with us', they said, 'doesn't know how to conduct business by false representation. How then is he going to make any money? ... He makes out heads ache.'[102] As I have argued earlier, the bazaar economy, by its very nature, gave rise to short-weighing, adulteration and imaginative book-keeping.

[99] Somabhai Punamchand Doshi to Morarji Desai, 3 February 1938, BA, R.D. 3791/33 V (b).

[100] Memorial by ten moneylenders to the governor of Bombay, February 1941, BA, R.D 3791/33 XIII.

[101] *Redemption of Agricultural Indebtedness in Bhavnagar State*, Bombay, 1934, p. 20.

[102] Justin Abbott, *Tukaram: Translation from Mahipati's Bhakalilamrita*, Pune, 1930, p. 73.

Profits, as Tukaram's fellow merchants pointed out, could not otherwise be earned.

Most Baniyas knew that this was the case, even if they would not necessarily say so in public. They did not however feel that there was anything wrong in their behaviour. This was because different standards applied in dealings between those with abru and those without. It was argued that rules of fairness and honestly which applied in dealings with other Baniyas or merchants with abru were wasted if applied in dealings with clients of a different community who lacked abru. This way of thinking is evident in another statement made by the ten moneylenders quoted above:

> ...if it be assumed that the indebted agriculturists need relief, their [the peasants'] own sins of commission and omission should first be taken into consideration, and the effect of their sins should not be allowed to be visited upon the innocent heads of the moneylenders and their progeny.[103]

The logic here is stretched, but telling. The peasants are accused by the usurers of the 'sin' of insolvency — a grievous transgression for any Baniya. It is, they say, unjust to pass legislation to prevent usurious practices when the peasants who are being thus protected lack any sense of financial propriety. It is, moreover, particularly unjust that Baniyas who are 'innocent' of this sin should be punished for the financial immorality of the peasants.

Baniyas were always quick to blame the peasants for their impecuniousness. Peasants were idle and spendthrift by nature. They spent beyond their means in celebration. They bloated themselves with food and drink at the time of a marriage or other festivity, and then starved for the next year. They thought of only the present, not the future. They were coarse and ill mannered. They polluted themselves by eating flesh and other forbidden foods, and by drinking liquor. They had no understanding of the true dharma. How could any ethics be applied to such people? It would be like throwing pearls before swine.[104]

[103] Memorial to the governor of Bombay, February 1941, BA, R.D. 3791/33 XIII.

[104] For examples of such sentiments, see Sudashivlal, Deputy Collector, Satara district, annual report 1875–1876, BA, R.D., 1876 11pt. II/1432; evidence of Kanhaiyalal Gargiya, 12 December 1929, *Banking Enquiry Committee for the Centrally Administered Areas 1929–1930,* vol. III, *Evidence Taken in the Province of Ajmer-Merwara,* Calcutta, 1930, p. 128; B.C. Lokhotia, Sec. of Ajmer-Merwara Mahajan Association, 7 October 1935, RSA, Ajmer-Rajputana Agency 'A' Branch, SN. 120, file 343-A/37, pad. no. 22.

The anthropologist, Julian Pitt Rivers, writing of Spanish society, argued that the people of a superior class felt no sense of obligation to be truthful or honest in dealing with those of an inferior class. Honour required that one treated with respect only those who deserved respect. Superiors could represent reality as they pleased and offer no justification to their inferiors. Only among social equals was there an obligation to tell the truth and not to deceive.[105] J.K. Campbell noted a similar mentality amongst merchants of a remote region of Greece, though he explained this more in terms of differing values than social status:

> In the absence of strongly held universal values concerning the obligations of a man towards general humanity they feel free to exploit, or at least not to help, another person from whom they are divided by the absence of common ties of kinship, community, or class. If they have power, they see no reason why they should discipline themselves in its use towards a person from whom they are morally isolated.[106]

In western India the divisions of hierarchy and status were even sharper, community moralities more discreet. Such a belief was in consequence even stronger here than in Mediterranean Europe. There were hardly any Baniyas who believed they had obligations to deal with the peasantry in a truthful way.

Gandhi, himself a Baniya, was deeply troubled by the prevalence of such an attitude amongst his fellows. He wrote in his autobiography:

> I had always heard the merchants say that truth was not possible in business. I did not think so then, nor do I now. Even today there are merchant friends who contend that truth is inconsistent with business ... Pure truth, they hold, is out of the question, in business, one can speak it only so far as it is suitable.[107]

By 'suitable', the merchants no doubt meant 'appropriate in dealings with each other'. Gandhi could not accept this. In the India of his dreams there would be one morality which transcended differences

[105] J. Pitt Rivers, 'Honour and Social Status', in J.G. Peristiany, *Honour and Shame: The Values of Mediterranean Society*, London, 1965, p. 33.

[106] J.K. Campbell, *Honour, Family, and Patronage: A Study of Institutions and Moral Values in a Greek Mountain Community*, New York, 1974, p. 218.

[107] M.K. Gandhi, *An Autobiography or the Story of my Experiments with Truth*, Ahmedabad, 1979, p. 93.

of community and status. In the 1920s, when Gandhi wrote, this was clearly not the case.

This did not mean that the Baniyas had no sense of social obligation, only that it did not stretch to being honest with non-Baniyas. In other respects they had a strong belief in their value to society as a whole. Twenty usurers of Nasik district thus described themselves as 'a class, who has seen the agriculturist through days both good and bad, and who has been a link for centuries together between the different Governments and the man of the soil'.[108] Similarly, Sukhdeo Prasad, writing on Marwar, described the Baniya as 'the beneficent and kind partner with the ryot, supplying the needs of his Dhur [subordinate client], maintaining him in times of emergency and in bringing capital to his door'.[109]

A common claim by Baniyas was that considerations of profit were for them a secondary consideration. According to Kanhaiyalal Gargiya of Beawar in Rajasthan:

> It is the mahajan, literally great man, who has been rendering most valuable services from times immemorial to the kings down to the peasant in this country. They are so shrewd, generous and sympathetic, that they would help anybody and everybody, and would undergo any risks, which may sometimes be even unremunerative.[110]

Many Baniyas asserted that there were few profits to be made from advancing credit to peasants. Gargiya continued:

> The moneylender is compelled to have transactions with the cultivators... He has got old debts. He gets mortgages because that is the only way to pay himself. If I have no other connection with the cultivator I won't advance money to him.[111]

Beliefs such as these found full voice after the Bombay government passed the Deccan Agriculturists Relief Act in 1879, which placed some mild checks on usurers. In 1882 large numbers of moneylenders of Ahmednagar district signed a petition to the Viceroy which claimed that the legislation was preventing them from carrying on their

[108] Twenty members of the Moneylender's Association of Malegaon, Nasik district, to Morarji Desai, 30 May 1939, BA, R.D. 3791/33 XV (a).

[109] Sukhdeo Prasad, *The Final Report of the Famine Operations in Marwar during 1899 and 1900,* Jodhpur, 1900, p. 186.

[110] Evidence of K. Gargiya, 12 December 1929, *Banking Enquiry Committee*, vol. III, *Ajmer-Merwara,* Calcutta, 1930, p. 127.

[111] Ibid., p. 138.

socially useful activities. Under the terms of the act checks had been placed on their use of the courts to recover loans, and so they claimed it no longer paid them to lend money to peasants. They argued that many sahukars were indeed facing ruin as a result of the act. Since credit was no longer available, peasants were abandoning their fields and migrating from the villages. They concluded: 'This frightful state of things has been brought about by the new Acts having put a stop to the way of recovering the money advanced on loan.'[112]

Another petition from Bhagwandas Bajiram and 209 other usurers of Sholapur, written a month earlier, claimed that their profits had always been small and that the new regulations were causing them to run their businesses at a loss. They provided full details of the ways in which the legislation had hit them in their pockets. As a result — they stated — they could no longer afford to provide loans to their clients. Without the capital required for cultivation, the land of the peasants remained idle and many, as a result, faced hunger and destitution. The legislation was, they claimed, ruining the interests of peasants and moneylenders alike.[113]

The general tone was one of astonishment that the government should clamp down on a legitimate trade which, they confidently believed, lubricated the very wheels of society. Without the benevolent sahukar, they argued, where would the poor and improvident peasants find means for their agriculture and the wherewithal to sustain their life and culture? The Baniyas thus depicted themselves as the prime nurturers of peasant society in western India. In the following chapters I shall examine in more detail what this 'nurturing' entailed, but from the perspective of the peasantry.

[112] Petition from about 720 moneylenders of Sangamner taluka, Ahmednagar district to the viceroy, 21 December 1882, BA, J.D. 1883, 61/27.

[113] Petition from Bhagwandas Bajiram and 209 other merchants and moneylenders of Karnala taluka, Sholapur district, to the governor of Bombay, 23 November 1882, BA, J.D. 1883, 61/27.

Chapter Five

Credit and Peasant Honour

For centuries, the ambitions of succeeding rulers of India to centralize power had been countered by the solidarity of peasant communities. Despite this, a large proportion of the agrarian surplus was appropriated by these rulers, and this was possible to a large extent through the operation of the capital of merchants and usurers. In this chapter I shall examine the ways in which peasant communities opened themselves to such penetration. First, however, something about the nature of these communities.

Land was largely controlled at the village level by corporate groups of dominant peasants. In certain hill and forest regions, such groups were still in the nineteenth century synonymous with a territory, and membership in the community ensured the right to a livelihood from the area, be it hunting, gathering or cultivation. In Merwara, for instance, the Mer community refused to allow any land within their territory to be controlled by non-Mers.[1] These communities tended to be well-armed and organized under the leadership of chiefs, which enabled them to maintain a considerable degree of independence from outside control during the pre-colonial period, and in some cases into the colonial period. The largest single group of this type in western India was that of the Bhils.

In areas in which political power was firmly in the hands of feudal lords or a state bureaucracy, the corporate peasant groups claimed a superior right to village lands, based on the principle of long-standing settlement. In Rajasthan, for example, it was said that the use of the land for 101 years gave such a right, known as

[1] Testimony of L.S. Saunders, 25 March 1879, *Famine Commission Enquiries, Ajmer 1879*, printed report in the library of NAI, publication details missing, library access no. 361.55 Aj 692797, p. 38.

bapota (from *bap* — father), meaning 'of the father'. Throughout Rajasthan the adage held: *Bhogra dhanni raj ho: bhumra dhanni ma cho*, meaning 'the government is entitled to tax, but I am the master of the land'.[2] Once the bapota right was acknowledged, land could not be taken away, even if a peasant was away for some years and it lay uncultivated. James Tod cited an example in which a queen of Mewar state granted fifteen *bighas* of land to a Brahman which was in fact the bapota of a Jat peasant. When the Brahman went to claim the land, the Jat

> ...coolly replied that he would give him all the prince had a right to, namely the tax. The Brahman threatened to spill his own blood if he did not obey the command, and gave himself a gash in a limb [on the principle that anyone who caused the injury of a Brahman would be damned]; but the Jat was inflexible, and declared that he would not surrender his patrimony (bapota) even if he slew himself.[3]

According to Tod, peasants compared such a right to the land to a tenuous grass called *akshay duba* which could not be eradicated from the field.

In Maharashtra, the equivalent to bapota was *vatan* or *miras* land, and the corporate group was known as *vatandars* or *mirasdars*. Holders of such a title — regarded as the best and most prestigious for a villager — were considered to be long-standing hereditary occupiers of the land.[4] The only way in which the state could revoke such a right was by a very drastic form of confiscation, carried out only in extreme circumstances. Thus, when Shivaji wanted to seize a vatan, he conquered the place concerned and killed both the male head of the household and his sons, thus destroying the line of inheritance.[5]

Within a village, the members of a dominant corporate group were normally of one particular caste or community. In the Bharuch

[2] Tod, *Annals and Antiquities of Rajasthan*, vol. I, p. 573. There was a similar saying among Russian serfs: 'I belong to my lord, but the land belongs to me.' Elizabeth Fox-Genovese and Eugene Genovese comment on this: 'This formulation, which makes no sense in a bourgeois social order, admirably expressed a social order in which several social classes, bound together antagonistically, had discrete rights and duties attendant upon multiple claims to the same piece of property.' *Fruits of Merchant Capital*, p. 345.

[3] Tod, *Annals and Antiquities of Rajasthan*, vol. II, p. 593.

[4] A.R. Kulkarni, 'Village Life in the Deccan in the 17th Century', *Indian Economic and Social History Review*, 4:1, March 1967, p. 40.

[5] Frank Perlin, 'State Formation Reconsidered', *Modern Asian Studies*, 19:3, 1985, p. 458.

region of Gujarat, for example, village lands were in the eighteenth century divided amongst *bhagdars*. In each village, the bhagdars were supposed to be the descendants of the family which had first settled the village, and they were accordingly all of the same caste or community. In most villages the bhagdars were Kanbi by caste, but in a substantial minority of villages they were of the Sunni Bohra Muslim community. Land was divided equally among the sons of a family in each generation, so that over time the amount of land held by different families varied according to the number of sons there had been in each generation. Even amongst bhagdars there were therefore considerable differences in landholding and thus in wealth and standing in the village. No bhagdar family could be ejected from its holding by other bhagdars.[6]

In Dungarpur state in southern Rajasthan the equivalent group was known as the *kanbis*. Each kanbi family cultivated an ancestral holding known as a *bante*. A bante consisted of two, three or more fields and its extent was measured by the number of ploughs needed to cultivate it. If a kanbi family was forced to migrate from the country, the village headman would provide for the cultivation of its bante in whatever way he deemed proper, but if after an absence of ten or twelve years members of the family returned, their bante would be restored. The only legitimate reason for the state to confiscate the bante was if members of the family were judged guilty of misconduct, but this was seen as a very severe punishment and occurred rarely.[7]

Although such peasants always claimed to be the original tillers of the soil, and thus to have an ancient right of occupation, W. Sykes found that in a village of Khandesh, which he investigated in 1827, none of those who asserted that they were vatandars and mirasdars were in fact descended from those who appeared in the records of 1777 as having these rights. All the older lineages had died, and more recent immigrants had then claimed miras rights.[8] The claim to such rights did not therefore mean that there was

[6] Raj Kumar Hans, 'Agrarian Economy of Broach District (Gujarat) during the First Half of the Nineteenth Century', unpublished Ph.D. thesis, M.S. University of Baroda 1987, pp. 45–7.

[7] A. Mac Donald to J. Malcolm, 4 May 1819, NAI, F.D. Pol, 26 June 1819, 50–2.

[8] D.W. Attwood, 'Risk Mobility and Cooperation in Maharashtrian Villages', in D.W. Attwood, M. Israel and N.K. Wagle (eds.), *City, Countryside and Society in Maharashtra*, Toronto, 1988, p. 178.

necessarily an actual longstanding occupation of a holding by a family over several generations, only that others accepted the validity of such a claim. In practice the system was very fluid and so rights of access to land were extremely complex, reflecting the power of various families to assert such a claim at different times.

Dominant corporate groups such as these held the best farmland on the most advantageous terms, and regulated the subordinate peasantry's access to the land. Other members of their own caste or community were often allowed to cultivate land on favourable terms, being given hereditary occupancy which was guaranteed so long as they paid taxes. Lower caste subordinate peasants tended to be treated as tenants-at-will who could be ejected from their holdings whenever the dominant group so pleased. The holdings of the latter tended to be of poorer quality, and if they made efforts to improve them they were often evicted and the land was then taken over and redistributed amongst members of the dominant group. These subordinate peasants were also commonly made to pay higher rates of tax. Dominant peasants characteristically treated the subordinate communities in an arrogant and brutal manner, which included the sexual oppression of low caste women.[9]

Each of these groups — whether dominant or subordinate — had a strong sense of its corporate identity. Partha Chatterjee has argued that within each such collectivity, political power was seen to stem from the authority of the entire group. This was not a 'democratic' authority, in the liberal sense of the term, for it was usually vested in patriarchal elders or chiefs. The latter could not, however, go counter to the general will of the collectivity to any degree.[10] We may illustrate this by taking an example from seventeenth century Maharashtra, where the dominant peasants who controlled the land, known as vatandars and mirasdars, had great judicial assemblies, known as *gotas*. Rulers and noblemen might attend these assemblies, but only in their capacity of holders of particular vatan or miras lands. The gotas discussed issues and advised — rather than ordered — their members to act in a particular way. Although amongst the vatandars and mirasdars there was a great differentiation

[9] For details in this respect from the Bharuch region of Gujarat, see Raj Kumar Hans, 'Agrarian Economy of Broach District', pp. 141–6.

[10] P. Chatterjee, 'Agrarian Relations and Communalism in Bengal, 1926–1935', in R. Guha (ed.), *Subaltern Studies I*, New Delhi, 1982, p. 12.

of wealth, the language of their interaction was infused with fraternal idioms. Those who controlled land in this way were seen as a brotherhood of rights-holders and they referred to each other as 'brothers'. In the documents there is a strong emphasis on such 'brothers' eating together. Within a village, all the vatandars might refer to themselves as 'children of one mother'. Although the majority of such land-holders were Kunbis by caste, this solidarity could cut across both caste and religious divides.[11]

Over the centuries, succeeding state formations sought to undermine the dominant peasant communities and the ideology which sustained them, providing an alternative focus of power and loyalty. Medieval rulers with absolutist ambitions waged a constant struggle with such groups. For instance, in eighteenth century Maharashtra, the Peshwas attacked and gradually suppressed the gotas of the vatandars and mirasdars, replacing them with village panchayats which they anticipated would be more under their control.[12] The colonial state likewise sought to undermine the solidarity of the dominant peasant communities. These efforts had, however, limited success, for such solidarities invariably survived, emerging in new forms. In practice, rulers always had to negotiate some form of compromise with these groups.

II

Peasant communities represented moral spaces in which values were shared and in which members struggled continually to enhance their relative standing within the group. This was seen very clearly in the case of the peasant jati. As David Pocock has argued, such jatis did not as a rule have any particular overall organizational unity or common body of custom. Although there was a general feeling of loyalty to the jati which emphasized the value of solidarity against outsiders, within the group there was a continual competition amongst families to appear better and higher than others. There were no fixed defining features to indicate the correct 'superior'

[11] Frank Perlin, 'Concepts of Order and Comparison, with a Diversion on Counter-Ideologies and Corporate Institutions in Late Pre-Colonial India', *Journal of Peasant Studies,* 12:2 and 3, January/April 1985, pp. 132–40.

[12] Frank Perlin, 'State Formation Reconsidered', *Modern Asian Studies,* 19:3, 1985, pp. 453–6.

behaviour, for the rules were flexible and were applied differentially to different members of the caste. A person from a highly respectable family would commonly have been able to get away with behaviour which would not have been tolerated from a member of a family of low standing within the group.[13]

Within a peasant community there was accordingly a hierarchy of honour. The central unit in this hierarchy was not the individual — and certainly not the individual male — but the family. By 'family' I mean a household in which members of a lineage and women who had married into the lineage subsisted from a common pool of resources and income.[14] The family was considered to be a collectivity which included dead ancestors as well as living members. It was a community of worship, with its own shrine, and with deceased members remembered, honoured and placated through regular puja. In any one generation, the household was normally led by a patriarch who was considered to be merely the temporary trustee of its interests. Such a patriarch was the male of the family who was most suited to the role on grounds of maturity and ability. In old age, he was normally superseded by a younger and more active male. For several reasons, a woman might however take charge of the family; for example, if she was a widow with young children. Such a role required great strength of character and courage on the part of women, as they were liable to be taken advantage of by unscrupulous males, not least the usurers.[15]

The position of a family in the community hierarchy was never secure; it had constantly to be asserted and vindicated in a public way. A reputation took a long time to build and consolidate, but it could be destroyed in a moment. The more vulnerable a family was within the group, the more it needed to protect its reputation and honour with great zeal. Well respected families did not have

[13] D. Pocock, *Kanbi and Patidar: A Study of the Patidar Community of Gujarat,* Oxford, 1972, pp. 66–9.

[14] For a discussion of the term 'household', see E. Fox-Genovese, *Within the Plantation Household: Black and White Women of the Old South,* Chapel Hill, 1988, p. 86–7.

[15] We know more about such courageous women from fiction rather than from historical records. The film *Mother India*, for example, revolves around a woman who takes charge of family affairs after her husband disappears from the village, never to return. The film brings out with great feeling the many hardships she faces. See also the figure of the old mother in Jhaverchand Meghani's Gujarati short story, 'Kanji Shethno Kandan', in *Meghanini Kishorkatho,* Bhavnagar 1985.

to defend their honour at every turn, whereas those of questionable status had to be very sensitive to a wide range of points of honour. 'Thus', says Pierre Boudieu, 'poverty, far from contradicting or prohibiting respectability, makes doubly meritorious the man [sic] who, though particularly exposed to outrage, nonetheless manages to win respect.'[16]

In each community there was thus a continuous ongoing rivalry between families, each of which sought to enhance its status at the expense of others. This rivalry was often vicious and full of bitterness, breeding that climate of petty gossip and innuendo which was one of the features of village life. Peasants sought constantly to undermine the worth of their neighbours. Fear of being thus gossiped about ensured that people generally conformed to the rules of village and community behaviour. Gossip was however a weapon which had to be used with caution, for it was considered disreputable to have a reputation for constant malevolent gossip-mongering.[17]

The accumulation and redistribution of wealth played a central role in these calculations of status and honour. This had not always been the case. Peasants in ancient India appear to have had a certain antipathy towards the accretion of wealth. It appears to have been seen as divisive, setting brother against brother, family against family, and also dangerous, as it attracted the envy of others in the community, and the evil eye. There was as a result strong community pressure for peasants to redistribute or destroy their surplus rather than hoard it or pass it to heirs. A Greek report on the Punjab of 330 BC noted that '...the land is cultivated in common, and when the crops are collected, each person takes a load for his support throughout the year. The remainder of the produce is burnt'.[18] Communal feasts, in which food was consumed in a wasteful and extravagant manner, could serve the same function. The passing of wealth to heirs might be prevented by the practice of interring belongings with the buried or burning them during the cremation.

A similar antipathy to the accumulation of wealth has continued within certain relatively undifferentiated communities, such as the Bhils, even into modern times. The Bhils of southern Rajasthan had a saying: 'Whatever you spend will be beneficial, whatever you

[16] Bourdieu, *Outline of a Theory of Practice*, p. 61.

[17] M.N. Srinivas, *The Remembered Village*, p. 279.

[18] D.D. Kosambi, *Introduction to the Study of Indian History*, p. 92.

hoard will stink.'[19] The wordly possessions of Bhils were often destroyed at their death.[20] In this respect there was some advantage for the peasants if a person from outside their community — a sahukar — took responsibility for their financial affairs. They could thereby keep their relationships within the community relatively 'pure', and thus avoid divisive and corrupt behaviour which an accumulation of wealth was seen to promote.[21]

Some reports suggest that this attitude, and thus a need for the sahukar, was also found amongst the settled and more differentiated peasants of the plains. James Sleeman, for example, repeated what he had been told by an informant, Bukhtawar Singh, about the peasants in northern India in the early nineteenth century:

> A conscientious farmer or cultivator, sir, when he finds that his field yields a great deal more than the usual returns, that is when it yields twenty instead of the usual return of ten, gives the whole in charity, lest evil overtake him from his unusual good luck and inordinate exultation.[22]

It is unlikely that this report in fact represented an accurate account of any normal peasant practice at the time. Most probably, Bukhtawar Singh was reporting stories about particular peasants who had given away their wealth in an act of religious enthusiasm. These exceptional cases were then turned in an orientalizing text into an example of the supposed spirituality and thus lack of economic 'rationality' of the Indian peasant mind. The reality of such donations is brought out very clearly in the description of village life in seventeenth century Maharashtra found in Mahipati's life of Tukaram. Tukaram is described as giving away an entire bumper harvest in charity so as to avoid corrupting his soul with wealth. His fellow villagers were taken aback and perplexed by the act, while his wife was said to have cried in anguish: 'The grain came to him, but he would not take it. He has thrown our domestic affairs into the water...

[19] Fuljibhai Bhil, *Rajasthani Bhilo ki Kahavate,* Udaipur, 1954, p. 168.

[20] See Enthoven, *Tribes and Castes of Bombay,* vol. I, Bombay, 1920, p. 177; D.P. Khanapurkar, 'The Aboriginals of South Gujarat', unpublished Ph.D. thesis, University of Bombay 1944, p. 159.

[21] I have discussed in greater detail the prevalence of such a mentality amongst Bhils in my essay, 'The Bhils and Shahukars of Eastern Gujarat', in Ranajit Guha (ed.), *Subaltern Studies V,* New Delhi, 1987, pp. 19–26.

[22] Sleeman, *Rambles and Recollections,* vol. II, p. 55, quoted in *Punjab Notes and Queries,* 3:34, July 1886.

People say the crop ripened, but at home here the children are dying of hunger.'[23] This shows that those who acted in such a manner were likely to be thought fools by other villagers and irresponsible by members of their own family. Clearly, it was no expected norm of behaviour.

What Sleeman's account most probably reflected in a highly misleading way was the ethos of mutual gifting within such peasant communities. Pierre Boudieu has in this respect contrasted the 'good-faith' economy of peasant communities with the 'self-interest' economy of modern capitalist society. The 'good-faith economy' rested on the notion of an exchange of gifts amongst members of a community. Peasants, he argues, deliberately misrepresented economic exchange. One was not supposed to 'sell' things to one's fellows within the community, but to 'give' and 'receive' gifts. Selling was considered dishonourable; one relied on the honour of others to give back in approximation to what was received. Thus a peasant of the community who engaged in labour for another peasant might have been given a meal at the end of the day, symbolizing a return of gifts — even though he or she might in actual fact have been paid for his labour as well. Everyone knew this, but to have emphasized the fact would have caused scandal. A direct market exchange of measured value for value was thus considered a disreputable, mercenary, dishonourable form of transaction when it occurred within the community. A peasant family which was fortunate enough to earn a surplus was expected to be generous towards fellow-families which had incurred losses, the expectation being that the favour would be returned if the situation was reversed. This did not involve any actual equalization of wealth; all that was demanded was a judicious generosity. There was no credit to be gained within the community from dissipating the family wealth.[24]

The 'good-faith' economy involved much more than the mere exchange of material goods. Central to it was the accumulation of what Bourdieu calls 'symbolic capital'.

The only way to escape from the ethno-centric naiveties of economism, without falling into populist exaltations of the generous naivety of earlier forms of society, is to carry out in full what economism does only partially, and to extend economic calculations to *all* the goods, material and symbolic,

[23] Justin Abbott, *Tukaram: Translation from Mahipati's Bhaktalilamrita,* Pune, 1930, p. 106.

[24] Bourdien, *Outline of a Theory of Practice,* Cambridge, 1977, p. 172–3.

without distinction, that present themselves as *rare* and worthy of being sought after in a particular social formation — which may be fair words, or smiles, handshakes or shrugs, compliments or attentions, challenges or insults, honour or honours, powers or pleasures, gossip or scientific information, distinction or distinctions, etc.[25]

In this way, economic and symbolic capital were undifferentiated, and perfectly interconvertible. Peasants sought to maximize their accumulation in both respects.

Access to capital was crucial in this respect. A family with such an access could avoid having to act constantly in a parsimonious and subordinate manner. It could attract women of 'good' families, thus maintaining its supposed quality and purity of blood. A poor family was unable to entertain with acceptable largesse and would probably be forced to marry 'badly'. Often it had to rely on others for employment or help in a potentially degrading manner. If insulted by a rich peasant on whom employment depended, there was little that a poor peasant could do to defend his or her honour and pride. Status and honour were reflected most obviously in the amount of land a family had the right to cultivate. The less land, the greater the poverty and subordination, and thus dishonour.[26]

The connection between wealth and honour is brought out very strongly and explicitly in Mahipati's life of Tukaram. After Tukaram became a devotee of Vitthal of Pandarpur he allowed his family affairs to go to ruin. Rumours soon spread that he had become bankrupt. His creditors came to his door to demand repayment, so that friends and relatives had to bail him out for the time being. He was rebuked by one of his two wives: 'What is going to happen to my domestic affairs! Since the master of this house began his contemplation of Vithoba, we have lost our social position among men...'[27] Soon after there was a famine. In Mahipati's words:

With the dissipation of Tuka's wealth he seemed to the public as one deserted by Fortune. They who once paid him reverence now insulted him. When hard times came, he lost credit among the people. No one

[25] Ibid., pp. 177–80.

[26] It was common before a peasant girl was married in Maharashtra for her father to ascertain whether or not the prospective son-in-law's family had land. If it did — and even if it was encumbered by debt — the match was considered good. M.R.R. Naryoodkar to D.K. Dalve, 31 March 1888, BA, J.D. 1890, 83, pt. 1.

[27] Justin Abbot, *Tukaram: Translation from Mahipati's Bhakalilamrita*, Pune, 1930, p. 53.

would let him come to his house. That gave Tuka's heart great pain. There was now no food at all in his home. The children had to fast ... Seeing his children's distress, he went here and there to beg for food... [Tukaram said] to his relatives and friends, 'My children and the other members of my family are dying of hunger. You must quickly find some remedy ...' When he asked a loan of the money-lenders, they shouted, 'Get out of here! First bring back what you borrowed, and then take away what we give you.' One of them, when he saw Tuka, scowled at him, and said, 'You have shut out worldly prosperity with a thorn fence, and why should you now persecute us? Get out of here, you miserable wretch. You have made us sick and tired of you.'[28]

The usurer then had Tuka thrown out of the shop. Tukaram's first wife and eldest son died soon afterwards of starvation. In one of his abhangs composed after this terrible event, Tukaram lamented:

Famine reduced me to penury, I lost my honour.
I had to watch one of my wives starve to death.
Ashamed of myself, I suffered great anguish.[29]

Penury being so shaming, the ability to obtain credit when in need was critical to a peasant's reputation. As Tukaram said in another of his abhangs:

I have pawned myself
To preserve my selfhood
My debt is secure with interest
Where there is a seed, there is a sprout;
Preserve its capacity to grow.[30]

Without a secure supply of credit, a peasant could not maintain the way of life considered respectable and honourable. We therefore find the provider of credit — the sahukar — regarded in a proverb as 'the guardian of honour and the supplier of food'.[31] Or, as another proverb puts it:

Without a guru no salvation;
Without a shah [Baniya sahukar] no reputation.[32]

[28] Ibid., pp. 77–8.

[29] D. Chitre, *Says Tuka*, p. 203.

[30] Ibid., p. 128.

[31] B.B. Chaudhuri, 'Rural Credit Relations in Bengal, 1859–1885', *Indian Economic and Social History Review*, 4:3, September 1969, p. 205.

[32] *Guru bina gat nahin, shah bina pat nahin. Indian Notes and Queries*, 4:4, January 1887, p. 80.

Stigma for the peasants lay in the failure of credit-worthiness, of abru, and thus symbolic capital, not in the fact of debt. Debt was, rather, seen as being inevitable in life. According to a report of 1929–1930:

> Amongst the large landholders a big debt is as often regarded as a sign of prosperity as of adversity, and so long as the landlord is well-nourished, well-clothed and well-housed and has as many cattle and servants as he wants and enough ready money for a wedding or a feast, indebtedness causes him no anxiety.[33]

With credit-worthiness being a matter of honour, a public demonstration of its lack — such as the confiscation of property by court bailiffs in payment of a debt — was particularly shaming. Some peasants of Ahmednagar district, for instance, praised the Deccan Agriculturists' Relief Act in 1891 because, in their words: 'Our abru is protected by the exemption of our property from attachment.'[34] Worst of all was the stigma of being a *nadar*, which meant a person made destitute or bankrupt through lack of credit. Although by the end of the nineteenth century peasants were allowed to declare themselves bankrupt under the law in Bombay Presidency, hardly any did so due to the fear of being branded a nadar.[35] According to one British official: 'I am assured that a poor but honest man would blush to present himself before his small society, a declared bankrupt. He would feel constrained to abandon his home and seek his living elsewhere.'[36] He went on to observe that in some cases in which a judge had advised a peasant that he would benefit from being declared insolvent, the peasant 'has implored with tears, that he may be spared the indignity'. Even when debtors had agreed to accept bankruptcy in court, they often failed to present a list of their goods and chattels to enable the order to be ratified.

33 *Report of the Bombay Provincial Banking Enquiry Committee 1929–1930,* vol. I, Bombay, 1930, p. 47.

34 *Report of the Commission Appointed to Inquire into the Working of the Deccan Agriculturists' Relief Act, 1891–1892,* Appendix I, Calcutta, 1892, p. XXXI.

35 Scott to Gonne, 9 August 1883, BA, J.D. 1885, 65/1269.

36 Report on the Working of the Deccan Agriculturists' Relief Act, by H. Woodward, June 1883, BA, J.D. 1885, 65/1269.

III

Ties of community and village customs were also instrumental in ensuring that it was the professional sahukars who, as a class, provided the bulk of rural credit, rather than wealthy peasants.

As has been pointed out already, much of the borrowing and lending which went on between peasants of a village brotherhood or caste was carried on in an essentially non-commercial way. People with wealth to spare were expected to 'help out' their fellows when in need, and loans were often given without any interest being demanded (although it was considered courteous to provide a 'gift' of some produce at the time of repayment).[37] A well-to-do family might provide seed for a poorer family of the caste, or lend out its bullocks for ploughing, and expect the loan to be repaid by the labour of the borrower's family. Or, in an example from Maharashtra, some more prosperous peasants might get together to subscribe a sum to allow a family of their caste to pay off the mortgage on their land. Such debts were not recorded on paper.[38] Borrowers of this sort were honour-bound to repay the debt, and in almost all cases did so in due time. As Neeladri Bhattacharya has written: 'For the debtor to repudiate such a debt would be an act of bad faith, an act likely to earn social censure within the community and eliminate the possibility of future "help".'[39] The borrower was expected to reciprocate whenever the position was reversed.

The main check on such borrowing was that it put the receiver in a position of obligation, and thus inferiority. It was considered socially undignified to have to ask for a loan.[40] Members of a needy family were unlikely to go out seeking 'help' from members of their 'brotherhood' — the *bhaiband*. It was more likely that such 'help' would be proffered to save the dignity of a 'respectable' family at a time of temporary difficulty.[41] If such offers were not forthcoming,

[37] It was reported from Bhavnagar state in the 1920s that Kanbi peasants who lent and borrowed amongst themselves paid either very low rates of interest, or no interest at all. T.K. Trivedi, *Khedut Debt Enquiry, Bhavnagar,* 1931, p. 24.

[38] Woodward's report, June 1883, BA, J.D. 1885, 65/1269.

[39] N. Bhattacharya, 'Lenders and Debtors', p. 320.

[40] Evidence of I.T. Almaula, 25 November 1929, *BPBEC,* vol. III, p. 247.

[41] Anthony Carter, *Elite Politics in Rural India: Political Stratification and Political Alliances in Western Maharashtra,* Cambridge, 1974, p. 92.

as was most normally the case, the needy family would probably prefer to look for credit from a professional usurer rather than compromise its dignity by asking for credit from fellow peasants.

These considerations did not apply to wealthy dominant peasants who lent to subordinate peasants. These — the 'big' families of a village — utilized capital as one more means of enhancing their power over the rest of the peasants. As they were considered credit-worthy, they were able as a rule to obtain capital at low rates of interest from urban sahukars which they could lend to other peasants at higher rates of interest. They could also use their own capital in this way. Providing loans at crucial junctures was a way of putting other peasants in a position of obligation which had to be repaid to some extent in produce, but also in labour service, through loyalty in village politics and a show of gratitude and respect.[42] Loans also provided a means by which they could gain a temporary right to cultivate larger amounts of land. This they did by taking mortgages from landholding peasants and using the land while the debt remained unpaid. Such mortgages were not generally considered to give a right to use the land in perpetuity; in the large majority of cases the original owner retained the right to redeem the land at some later date.

This can be illustrated by A.M. Shah's study of the small village of Radhvanaj in Kheda district in the 1820s. Village records of the time showed that there were thirty-two households of Patidars in the village, four of whom had land mortgaged to them, which reveals that they had advanced loans to fellow villagers. The biggest family of Patidar sahukars was that of the village headman. This family cultivated the largest amount of land in the village. The family owned 17.29 acres of land, it had 14.34 acres mortgaged to it, and it rented another 43.32 acres. The family cultivated all this land with the help of hired labour — 76.15 acres in all. They thus appear to have used their position and wealth to gain a right to cultivate a large amount of land.

We thus find that families of wealthy 'big' peasants were already farming their land in a commercial way, using hired labour and obtaining a competitive price for their produce in local markets. They could, however, extend their agricultural operations only in a very contingent way. In the case of the biggest Patidar family of

[42] On this, see Pierre Boudieu, *Outline of a Theory of Practice,* pp. 191–6.

Radhvanaj, its right of occupancy on three-quarters of the land it cultivated rested on its ability to pay annual rent and keep clients in its debt. Any attempt to convert these rights of occupancy into a right of permanent ownership would have caused extreme resentment in the village in a way which would have been counter-productive, as social position depended to a large extent on the maintenance of general social respect.

Under colonial civil law it became possible for peasants to lose their ownership-title if they failed to repay a debt, and this provided an opportunity for wealthy peasants to operate their usury so as to grab land from other peasants. They tended, however, to hold back from doing this. To some extent this was because during the early colonial period high land taxes and low agrarian prices meant that in most parts of western India there were no advantages to be gained from extending land-ownership much beyond the old ancestral holdings. Much land, in fact, went out of use during this period because it was unviable to cultivate it. But also, and more important, it continued to be considered socially disreputable to act in such an engrossing manner.

This can be shown by the example of Kashiram Nathu, a patil of a village of Khandesh, who used to borrow from sahukars at 12 per cent interest and reloan the money to other peasants at 18 per cent. This business had gone on for generations; his father had at one time Rs 750,000 loaned out in this manner. The family had seldom taken bonds from its clients, relying on influence and trust for repayment. Under colonial rule they tried to avoid the use of civil courts. The business was not therefore run with the intention of depriving other peasants of their land. It was hard for such an enterprise to survive in the new economic climate. It was destroyed eventually by the slump in prices in the late 1860s, which led to many peasants defaulting on their debts. Kashiram had few bonds in his possession to provide security for his own credit-needs, and he found that the Baniyas would lend to him only at very high rates of interest. This made the business unviable.[43] Failures such as these, which in many cases led to formerly wealthy peasant families losing ancestral lands to Baniya sahukars, were an important element

[43] Statement by Kashiram Nathu, Patel of Khirdi Budrak, Sauda taluka, Khandesh district, *DRC*, Appendix C, p. 257.

in the discontent which culminated in the revolt of 1875, examined in chapter ten.

It was also possible for the dominant 'brotherhood' of a village to take a corporate loan from an urban sahukar and reloan to subordinate peasants at a much higher rate of interest. One important advantage of such an arrangement for the brotherhood was that it enhanced their power in dealings with the urban sahukars, thus forcing down rates of interest and making it hard for the sahukar to take disciplinary action to ensure prompt repayment. For this reason, urban sahukars disliked such borrowing, preferring to deal with individual peasant families.[44] Subordinate peasants also disliked credit of this sort, for the dominant brotherhood was able to put far more pressure on them to repay a loan than a sahukar who was not of the peasant community. They preferred, if possible, to deal with a sahukar who was not resident in the village and did not therefore exercise a daily control over their lives.

During the pre-colonial period, corporate village loans of this sort were fairly common, though not the rule.[45] After the British established their new civil courts, many sahukars presented cases against villages which had not repaid corporate loans. These unpaid debts were considerably augmented on paper by interest, and the British were uncomfortable about allowing them, for if such leading peasants were forced to repay them they would have been left in a very precarious financial position and would have been hard pressed to pay their land tax. In 1827 the governor of Bombay ruled that such claims would be heard in the courts for a limited period of six months, after which they would not be entertained.[46] This in effect put an end to such loans. Although many sahukars suffered from this ruling in the short term, in the long term it was in their general interest to have all their dealings with individual families rather than with strong corporate village groups.

[44] J.A. Dunlop, collector of Ahmadnagar district, 29 September 1826, IOL, Bombay Revenue Proceedings, 369/38 of 1826, no. 19.

[45] In Loni in Pune district, for example, at the time of the British takeover the 'community debt' totalled Rs 3075 and individual family debts to professtional usurers Rs 14,532. The former thus represented 17 per cent of the total village debt to usurers. T. Coats, 'Account of the Present State of the Township of Lony', in *Transactions of the Literary Society of Bombay,* vol. III, 1823, p. 212.

[46] Minute of M. Elphinstone, Governor of Bombay, 4 April 1827, IOL, Bombay Revenue Proceedings, 1826, 369/38, No. 25.

For these reasons, wealthy and dominant peasants were not able to compete in a major way with the professional sahukars, particularly the Baniyas. In fact, much of their own capital was provided by such usurers. The professional sahukars were the ones who had access to large-scale commercial capital. In the last analysis it was they who dictated the terms, one of the most important being their insistence on dealing with individual peasant families rather than with peasants as corporate groups.

IV

Peasant debts continued from generation to generation. Arthur Steele described how in rural Maharashtra in the 1820s the male members of a family were held responsible for each other's debts, and if a male sibling died his surviving family members would take on his debts. Even when brothers had agreed to a partition of their property so as to establish households of their own, they were still considered responsible for bearing jointly the funeral expenses of the older generation. A father was bound to pay the debts of his son while the son was still living with him, although it was possible to publicly disown a wastrel son, effectively cutting him off from the family. Steel reported that in Khandesh sons were required to repay their father's debts even when it was the only thing the father had left them to inherit. In Pune district it was common for grandsons to be held responsible for the debts of grandfathers. Generally, heirs were considered liable for the debts of deceased family members.[47]

Under British Indian law no person who had reached the age of majority could be held responsible in a court of law for the debts of an ancestor. Although the age of majority was reached early in Maharashtrian society — at the age of sixteen — no peasants took advantage of this provision. In the words of an assistant collector of Ahmadnagar district, writing in 1851:

> It has always been the custom for the heirs of a man to become bound to discharge any debts he may have incurred. The ancient laws of the country considered the heirs of an individual answerable for all such debts

[47] Arthur Steele, *Law and Custom of Hindoo Castes,* London, 1868, pp. 265–6. These rules applied to only the male members of a family and not to women, who did not carry their family debt with them to another family on marriage.

as he might have contracted, even though he left no property. Such a rule though not in accordance with the laws of our courts is still acted up to among the people, who from long habit are prejudiced in its favour, and the merchant never fails to obtain the signature of the sons of a family to the bonds he holds immediately they have reached a legal age.[48]

Sahukars protected themselves from the provisions of British law by making two or more members of a family sign a debt-bond, so that it in effect became a corporate family bond.

The peasants made no attempt to challenge this practice. The assistant collector of Ahmadnagar district went on to say about the custom of family liability:

> As the rule has a moral power on the minds of the population it is very seldom that any one refuses to become bound for his father's debts, every son considers it right and proper to hold himself answerable for his parent's liabilities, and will be afraid of some evil befalling him if he refused to do so.[49]

This continued to be the case into the twentieth century.[50] During the Emergency of 1975–1977, peasants in Rajasthan were told that they were free to repudiate their debts if their sahukar was not registered by law. As very few sahukars had registered themselves under the law, it gave a chance to the peasants to rid themselves of debts which stretched back for generations in most cases. When encouraged by well-wishers to do so, the peasants invariably refused, saying that they could not repudiate a debt, for it was a question of their honour. Their intention was, rather, to return the debt in full, washed in milk.[51]

Why did peasants feel such a strong obligation to honour their ancestral debts in this manner? Some commentators have tried to explain the force of this belief in terms of the doctrine of *karma* — the idea that the position of people in their present incarnation reflected the merit or demerit they had accumulated in previous lives. Thus Harrison, a judge of Ahmadnagar district, writing in 1850:

[48] Assistant collector, Ahmadnagar district, 1 October 1851, BA, J.D. 1852, 13.

[49] Ibid.

[50] See, for instance, the evidence of Padamji Illava, Broach, 27 November 1929, *BPBEC*, vol. 3, p. 340.

[51] Interview with Komal Kothari, Jodhpur, March 1987.

...according to the Hindoo law, a son is under the most sacred obligation bound to pay the debts of his father, until he does so, the soul of his parent is supposed either to be detained in purgatory or by transmigration to enter the body of a donkey, camel, bullock or other beast of burden, which is further supposed to fall into the hands of the father's creditor to undergo severe treatment, until released by the payment of the debt by the son.[52]

What was this 'Hindoo law'? In his *History of Dharmashashtra*, P.V. Kane quotes the ancient text, *Narada Smriti*, IV, 5–9:

If a man fails to pay on demand a debt or promised gift, that sum (by the addition of interest) goes on growing till it amounts to a hundred crores and when a hundred crores are reached he is born again and again in the house of his creditor as a slave in order to repay the debt (by his labour).[53]

Kane refers also to the *Katyayana Smriti*, which says that a debtor who has not repaid money borrowed may be reborn as a slave, a servant, a woman or a beast in the house of his creditor. Kane comments that this belief underlay the doctrine of the pious obligation of a son to pay off a father's debts even if he received no property from the father.

It is not however clear how the doctrine of karma as stated in these ancient laws related to the modern belief in the obligation to honour an ancestral debt. All that these two early authorities stated was that if people died without paying their debts they would be reborn as slaves, etc. in the house of their creditors. There is nothing in them about descendants saving their ancestors by continuing to honour and pay interest on their debts. Kane fails to show how the modern belief evolved out of these ancient laws, merely asserting that the one gave rise to the other. Harrison, the judge of Ahmadnagar, appears to have confused the two sets of beliefs in a similar way.

In fact, the custom appears to have had a very different rationale. From the corporatist perspective of the peasants, ancestors were seen as an integral part of the family, living within it in spirit if not in body. Debts were not just of an individual, but of a family

[52] BA, J.D. 1851, 12.

[53] P.V. Kane, *History of Dharmashashtra*, vol. III, Pune, 1973, p. 416. The passage is also quoted in the report of the Deccan Riots Commission to make a similar point. *DRC*, Appendix B, p. 48.

as a whole. A debt remained within a family even after the members who had contracted it in the first instance were long dead. As the honour of a family could not be separated from the honour of these forebears, it was considered both disrespectful to the memory of ancestors and wounding to the honour of the present generation to repudiate such a debt.

Dishonourable or disrespectful behaviour by members of a present generation was seen to torture the souls of the departed. As a collector of Ahmadnagar reported about the Mahadev Kolis in 1899: 'Ancestral debt is one reason why the Koli remains enthralled. He is said to be afraid that, if he shirks such debt, the ghosts of his ancestors will haunt him and his family.'[54] Peasants therefore believed that the souls of ancestors could not be at rest while their debts were not honoured. In this, the idea of karma had no part to play.

V

The doctrine of karma was however important in inculcating in the minds of the peasants a certain attitude towards debt. At the start of chapter two it was pointed out how in Brahmanical discourse, debt (rna) was considered to be a primordial condition of humankind. D.D. Kosambi has argued that this understanding of karma was extended to the peasantry by the disciples of the Buddha in the period after 500 BC. Buddhism was based firmly amongst the mercantile classes, and its doctrine was in this respect given a strongly mercantile thrust. In it, a supernatural book-keeper was seen as keeping an unfailing account of the actions of human beings. Good action enhanced a person's credit, bad action augmented a debt. Karma never failed to pay in exact proportion to the quality of the action.[55]

This understanding of karma became integrated strongly into popular consciousness in India. It was central to *bhakti*, which involved the notion of the human being in debt to God, a debt which could be repaid through devotion. It was believed that sincere and great devotion could wipe out the debts of past lives.[56] Such

[54] Collector of Ahmadnagar district, 14 February 1899, BA, J.D. 1900, 139/508.

[55] Kosambi, *Introduction to the Study of Indian History*, pp. 158–9.

[56] Charles Malamoud, 'The Theology of Debt in Brahmanism', in C. Malamoud (ed.),

was the force of this belief that even those who were not devotees believed in the power of God to enforce such debts. Tuka's wife Avali thus lamented that her husband's preoccupation with his worship of Krishna and the resulting neglect of his business affairs had brought about the ruin of their family. She cried:

> That great demon [Krishna] is persecuting our whole family line. The wife and many children make a large family, and they cannot get food or clothing. He [Tukaram] has thrown on to me all our domestic concerns, and he goes and sits there on the mountain... In some or other of his former births he became a debtor of God's and is now paying back what he borrowed.[57]

Avali curses Krishna who has the power to enforce the debts incurred in previous lives and is making her husband repay through demanding devotion of a sort which is ruinous to his entire family. As in real life, the debts of the patriarch represented the debts of the family, and all had to suffer to repay the debts. Mahipati commented on this rule of life:

> The ignorant say Fate is lame. It is by efforts that one's business prospers.. In our worldly affairs we are always for efficiency, and, therefore, we have no further anxiety...
> The wise are also engaged in worldly affairs. But they say, 'He that does all things is Shri Hari. It is He who pulls the cord of ancient times, and creates the experience superimposed on Fate. One must receive what is in one's Fate'.[58]

Although Avali was not a devotee of Krishna, she would have qualified in this respect as one of 'the wise'.

Tukaram conveys this idea with great force in one of his abhangs. 'Pandurang' is Krishna, worshipped as Vitthal of Pandurpur:

> Pandurang, the noble collector of revenue,
> Gives us our share of what we reap.
> He asks us to repay seventy per cent
> Of what we've owed in the past;
> And we've so far cleared only ten per cent.
> Sitting on a cot in our living-room,
> He points to all our possessions:
> The storage bin, the pots and pans, the cattle we own.

Debts and Debtors, New Delhi, 1983, pp. 26 and 38–9.

[57] Abbott, *Tukaram,* p. 111.

[58] Ibid., p. 43.

If I bargain and argue with Him, he keeps His cool.
He says, 'Just pay up your dues and what you reap
Will be all yours'.
Says Tuka, my dear wife, what shall I do?
I don't know where to hide without paying my due.[59]

The debt-condition was central to the imagery of many other great medieval bhakti sants. There are numerous *sakhis* of Kabir couched in such terms:

My Lord is like a merchant,
'easily' He goes on trading:
Without balance and scales,
He weighs the whole world. [60]

These three sakhis attributed to Kabir were current in Rajasthan:

Kabir, the capital the moneylender supplies
is not to be squandered in vain,
Or else you'll be in serious trouble
when the time for accounting comes!
When the scribe draws up your account,
there will be no end to your dues.
As long as breath remains in your body,
invoke the name of Ram!
Putting off [the issue], the day has passed,
the interest goes on mounting
Man has not adored Hari nor cleared his debts
and lo! Kal has arrived![61]

The 'capital' mentioned in the first of these Rajasthani sakhis was, according to the translator, Charlotte Vaudeville, the boon of human birth. Destiny was like a sahukar who would come to claim his dues in the end. The last sakhi refers, says Vaudeville, to the putting off of payments of old debts, symbolizing karma.

Amongst certain *saguna* Bhakti sants, who worshipped God as

[59] D. Chitre, *Says Tuka*, p. 46.

[60] Charlotte Vaudeville, *Kabir*, Oxford, 1974, p. 197. The second line reads: *sahaji karai byaupara*, which can be interpreted as 'He trades easily', or 'He trades in the sahaj'. Sahaj means naturalness, spontaneity of oneness with the absolute — a state of perfect bliss. It was seen as the ultimate stage of yogic practice, with all passion and desire being extinguished. The passage could thus mean that God trades in human salvation in this respect, providing it for those who repay their spiritual debts.

[61] Ibid., pp. 248 and 269.

a being with a form visible to the devotee, there was a notion that great devotees could not only clear their debts to God through their devotion, but even put God in such obligation to them that He would appear in a material form to help them. Tukaram's ancestor, Vishvambhar, was a great devotee of Krishna, in the form of Vitthal of Pandarpur. After he had gone to Pandarpur every fortnight for eight months to worship the god, Vitthal came to him in a dream, saying:

> My dear Vishvambhar, you have made me your debtor through your service. So I have come to your town. There is no necessity laid on you now of going to Pandhari. You have been very kind to me. Truly I can never repay you. So I have come here to remain, seeing your love for me.

Next morning, Vishvambhar discovered a murti of Vitthal buried in a mango grove outside his village of Dehu.[62] Later, after Vishvambhar's death, Vitthal appeared in person before his grandson, Vitoba, telling him:

> Vishvambhar left, having taken a promise from me, which has made me a debtor to your family. It has been in order to pay that debt that I have remained here in Dehu... I am the servant of your family through debt.[63]

In saguna tradition, God could even appear in the form of a sahukar coming to repay the worldly material debts of His devotees. The best known legend in this respect is that of Narsi Mehta's hundi. Narsi Mehta lived in poverty in Junagadh in Gujarat, his life devoted to the worship of Krishna. His daughter, who was married, once asked him for a costly gift. He went to his daughter's home in a broken-down old bullock cart, accompanied by some female devotees. His father-in-law treated him in an offhand way, thinking him impoverished. Even his daughter taunted him for his poverty, saying that he was putting her to shame. Narsi then prayed to Krishna, asking him to provide the presents his daughter demanded so as to save his honour. Krishna then went to the daughter's house in the form of a Baniya called Shyamalshah Sheth [Shyam being one of the names of Krishna]. He was wearing the dress of a Baniya, and carried an account book under his arm and a pen behind his ear. He said that he was a Baniya who had come at the orders of

[62] Abbott, *Tukaram*, pp. 10–12.

[63] Ibid., p. 30.

Narsi Bhagat. He then produced all the presents that had been demanded. Narsi's honour was thus saved.[64]

There are many popular *bhajans* which celebrate this miraculous event. In one, heard in Dwarka, the singer voices Narsi's joy:

He is coming, he is coming,
My loved one will pay back all my obligations (rna),
Mohan [Krishna] will bring the gifts.
He came as Shyamalshah Sheth.
He has paid back cash for my hundi,
God came to pay back all my debts (*devu*).[65]

Through his worship, Narsi had built up his credit with God, which he likens to a hundi, or a promissory note. When he asks God for the hundi to be encashed, God has to oblige. The story was well known throughout western India. Tukaram, for instance, included this in a list of the great deeds of Krishna. 'There was', Tukaram said, 'Narsi Mehta, the Vaishnava *bhakta*. God cashed his check. Thou did'st become Savalsah, and showed an unheard of marvel.'[66]

Irfan Habib has argued on the basis of such stories and sayings that the religions of the people of medieval India showed a marked tolerance towards usury. Although Kabir, for example, condemned state tax collectors with great bitterness, he never, according to Habib, made a hostile remark about the usurer. On the contrary, he equated the usurer with God. Habib argues that this showed that 'subjection to the usurer must have been almost complete, if it could thus be compared to man's subservience to God...'[67]

Although Habib addresses some important questions in this respect, there are flaws in his argument. Firstly, the lack of any stated bitterness against usurers, as compared to that voiced against state tax collectors, might suggest, rather, that the oppression of the state tax collectors was perceived by the peasants as being much greater than that of their usurers. If this were true, subjection to the usurer would not have been 'almost complete', as Habib holds.

[64] This version of the story is based on that in *North Indian Notes and Queries*, 5:8, November 1895, pp. 130–2.

[65] Sung by the Gopi bhajan mandali, Dwarka, February 1988. I am grateful to Parita Mukta for recording this bhajan and transcribing it for me.

[66] Abbott, *Tukaram*, p. 146.

[67] Irfan Habib, 'Usury in Medieval India', *Comparative Studies in Society and History*, 6:4, July 1964, pp. 400 and 418.

In any case, subjection, however great, is relative; there is always space for dissent in every relationship of domination and subordination.

Secondly, it is not even true that these sants were wholly uncritical of usury. Kabir, for example, is very critical about supposed men of God who practice usury. In a sakhi of the Rajasthani tradition, Kabir says:

> The Swami of this Kali age is greedy,
> his mind is set on hoarding:
> He lends out money at interest
> and spends his life working out his dues![68]

For Kabir, the form of credit given by God is of a very different order to that given by human usurers. The concept of God as a creditor is used as a form of imagery, and is hardly a comment on the morality of human usury. Tukaram, whom Habib does not use as an example, was even more critical of worldly usury. He was, as we have seen, treated very harshly by the usurers of his village after he lost his credit-worthiness, and he was naturally bitter about this. Again and again he expressed his contempt in word and action for the mercantile ethos of his day. The culmination came when he took the promissory notes accumulated by his family through generations of usury and flung them into the river Indrayani. Tukaram told the onlookers that he did this because usury and a life of true devotion could not be mixed.[69]

Thirdly, Habib ignores the aspect of God as a debtor of the devotee, as seen in the saguna tradition of bhakti. It would obviously be absurd to argue that this belittled God in the eyes of the peasants, yet that would be the logical conclusion if we applied Habib's method of equating such symbolic relationships with conditions of real life.

What, therefore, did the use of such imagery imply? It is striking how often it occurs in the sayings and songs not only of the medieval sants — in Kabir, Tulsidas, Nanak, Arjan, Narsi, Tukaram, the Satnami gurus and many others[70] — but also in non-religious poetry.

[68] C. Vaudeville, *Kabir*, p. 268.

[69] Abbott, *Tukaram*, pp. 90–1.

[70] For the Sikh gurus, Nanak and Arjan, and the Satnamis, see Habib, 'Usury in Medieval India', pp. 400 and 418–19; for Tulsidas, see *Indian Notes and Queries*, 4:11, September 1887, p. 216.

There was, for example, a love-poem from sixteenth century Rajasthan in which the lover exclaimed:

> Be as usurious as a Banjara in your extraction of love from me,
> but O my love! don't break your custom with me![71]

The sheer frequency of such usage reveals with great power the centrality of the usurer-debtor relationship in medieval society.

Furthermore, the use of such imagery provided a most powerful means of restating the concept of karma in a new social context, and thus extending it as a form of common sense in the minds of the peasants. By expressing the concept in terms of the Baniya–peasant relationship, a relationship which had become a central feature of peasant life in the period after about 1400 AD, it gave the concept a new contemporary resonance. It helped to implant more strongly in the minds of the peasants a calculating, mercantile mentality. They became placed more firmly under the hegemony of Baniya morality. In all this, the consciousness of the settled caste peasantry became, during this period, further distanced from that of the relatively independent peasant clans of the hill and forest regions.

Although, however, this new mentality was calculating, it was not on a par with that of the Baniya, whose chief yardstick of value was money. In the good-faith economy of the peasants, value continued to be measured centrally in terms of family prestige and honour. This prestige was, however, always underpinned by wealth, which in practice normally meant the credit provided by a creditor to maintain agricultural productivity. It was in this way that merchant and usurer capital consolidated its hold within peasant communities, inserting itself at that vulnerable point where community solidarity constituted itself through an ongoing rivalry, that of the ceaseless struggle between families to sustain productivity and assert their honour, and thus maintain their status within the group.

[71] Quoted in Hiralal Maheshwari, *History of Rajasthani Literature*, Delhi, 1980, p. 174.

Chapter Six

The Paternal Sheth

Baniya sahukars were normally based in towns or large villages. Though many villages were without a resident usurer the people of almost every village had dealings with one or more sahukars. The records of 115 villages of Jalor pargana of Marwar for the period between 1656 and 1678 show mahajans residing in 30, that is about a quarter, of these villages. There were 457 villages in Jalor pargana at the time, and as it is more likely that records would have survived of the larger villages with mahajans than of those without, it is probable that the ratio of villages with usurers to those without was in fact much lower than about one to four. Thirty as a percentage of 457 represents only 6.56 per cent, which would be a ratio of roughly one mahajan centre to every fifteen villages.[1] According to the Jodhpur-based scholar, Komal Kothari, sahukars resided as a rule in service villages. These places were not necessarily towns.[2] In Agolai, for instance, there were in the late nineteenth century about 250 families of Jains, and at least 200 shops. These sahukars carried on their business in about 40 surrounding villages.[3]

In central Gujarat in the early nineteenth century it was common for Baniya sahukars to be domiciled in towns or large villages, but to run shops in small surrounding villages. Often, they would live in these latter places for a part of the year. Their permanent place of residence was, however, considered to be the town, and they

[1] B.L. Bhadani, 'Agrarian Conditions of Jalor in the Middle of the 17th Century', *Rajasthan History Congress, Proceedings of the Chopasni (Jodhpur) Session 1979*, vol. XII, Jodhpur 1979, p. 72.

[2] Interview, March 1987.

[3] Interview with Kanvarlalji Opla, Agolai, Shergadh tehsil, Jodhpur district, March 1987.

performed all their various ceremonies there. For instance, the people of the small village of Radhvanaj in Kheda district had dealings with Baniya usurers who lived in the nearby large village of Vaso. In the records of the 1820s, only one Baniya was shown as being a resident of Radhvanaj, and he was considered an *uparvadiya*, or an outsider, by the villagers.[4] In Sankheda taluka of Baroda state, the majority of the Baniya sahukars lived in the 1890s in Sankheda but ran small shops in the surrounding villages during the dry season. They returned to their homes in Sankheda during the monsoon. It was calculated that only about 150 of the 500 heads of Baniya households of Sankheda town resided there the whole year round, and they were amongst the richest.[5] In Kodinar taluka of Saurashtra the Baniyas, Luhana and Memon sahukars, were, in 1911, found concentrated in Kodinar town and three large villages. Each of these four centres served a distinct section of the taluka. As there were 69 populated villages in this taluka, each of these centres covered about seventeen villages.[6] In the plains of southern Gujarat, in Bharuch district, a local landlord stated in 1929: 'There are very few moneylenders in villages. The real soukars are in the *taluka* towns.'[7]

In Maharashtra too it was reported in 1845 that not a single 'sheth' or 'mahajan' could be found living in the 33 villages of Kumbhari pargana of Ahmadnagar district. The peasants all dealt with sahukars who resided in towns and large villages elsewhere.[8] If a Baniya was forced through circumstance to be based in a smaller village, he would, when possible, leave it for a bigger place. Thus, an Oswal Jain who had migrated from Rajasthan in the late eighteenth century established a business in Panoli village of Parner taluka of Ahmednagar district. In 1870 his descendent, one Hariram Bubhani, decided that the family business had expanded to an extent that

[4] A.M. Shah, 'Social Structure and Change in a Gujarat Village', unpublished Ph.D. thesis, University of Baroda 1964, pp. 75–6, 182, 191 and 241.

[5] *Settlement Report of the Sankheda Taluka, Baroda Division, 1891,* in BRO H.P.O. 263/40, pp. 5–6.

[6] *Jamabandi Revision Settlement Report of the Kodinar Taluka of the Amreli Division,* Baroda, 1912, p. 2.

[7] Evidence of Padanji Illav of Ankleshwar taluka, 27 November 1929, *Bombay Provincial Banking Enquiry Committee 1929–1930,* vol. III, Bombay, 1930, p. 342.

[8] R.N. Goodine, 'Report on the Village Communities of the Deccan', *Selections from the Records of the Bombay Government,* No. 4, Bombay, 1852, p. 18.

made it possible to move, and he set up a new family residence in the headquarters town of Parner. It seems that Hariram was not very popular in Panoli, and that he felt isolated there.[9] The family kept its house in Panoli. Hariram's descendants used to come to the village in a bullock cart at certain times of the year and stay at the house. Peasants who needed loans would come to the house at that time; the usurer would examine his books and advance credit as he thought fit.[10]

There is a record for 1875 showing the dealings of a Gujarati Baniya based at Kokrad village of Satara district. Nandchand Gujar lived with his family of five in a substantial house, from which he conducted his business with 237 peasants in fourteen villages. He was owed, at his own estimate, over Rs 17,000 by these peasants, an average of Rs 72 per debtor. Over half, or 127, of his clients were found in Kokrad itself, and another 39 in Khasgaon village. In Chinchli there were 32 debtors; in another village seven debtors; in one village six; in three villages five; in two villages three; in one village two; and in three villages just one debtor.[11] In this case the sahukar's business was greatest in the villages nearest to his place of residence, and least in those further away. This is likely to have been the general pattern.

In adivasi areas, sahukars were concentrated in even fewer centres. It was reported from the predominantly Bhil area of Jhalod taluka of eastern Gujarat in 1881 that no Baniya or Bohra sahukars lived in the Bhil villages; they all resided at either Jhalod or at a large village called Limbdi.[12] A more recent survey of the Bagh taluka of Dhar district in western Madhya Pradesh, where 95 per cent of the population was Bhil and Bhilala adivasi, revealed that the 43 Marwari sahukars of Tanda town had dealings in no less than 108 surrounding villages. The writers of this survey commented: 'It is

[9] *DRC*, Appendix C, p. 248.

[10] Interview with Vinayak Mahadev Vare, Panoli, Parner taluka, Ahmadnagar district, December 1988.

[11] Extract from the diary of the DSP Satara for the week ending 21 September 1875, and memo showing the amounts due to Nandchand Gujar of Kokrad from his debtors, in BA, J.D. 1875, 81/1320.

[12] *Jhalod Taluka Settlement Report, 1881, Selections from the Records of the Bombay Government*,new series no. 165, Bombay, 1885, p. 14.

as it were a huge army of land owning tribals are working for a few traders at the market-town apex.'[13]

The houses of the Baniyas in these centres were normally substantial two-story structures, often with cellars to store grain. The shop-areas were at the front of the house, invariably raised a metre or more above the level of the street. The living quarters were behind, and not visible from the street. The upper stories were often used to store grain, rather than for habitation. In the words of a Panchmahals district official:

> All his [the Baniya's] wealth consists in hoards of grain; and it is difficult to find ready cash in his house, as owing to difficulty of communication, there is not much export. I have visited several such granaries and was surprised to see the quantity of grain stored up in big and good houses which otherwise would have made splendid dwellings.[14]

This was written just before the coming of the railways — in this area in the 1890s — which greatly facilitated the export of grain. These hoards, found all over western India in the nineteenth century — and no doubt earlier — consisted of the stored harvests of years, sometimes of decades.[15]

II

It was common for a peasant household to have a longstanding tie with a sahukar family which stretched back generations on both sides. The chief advantages for the sahukars of such an arrangement were that they had a detailed and longstanding knowledge of their debtor's affairs, and that the debtors were effectively yoked to the arrangement from birth, allowing the business to continue smoothly over the decades. Also, sahukars did not have to worry about competition from other usurers, so that they could impose harsher terms on their clients. This was particularly true if all the business of a village was in the hands of one sahukar, which was often the case.

[13] T.B. Naik and K.M. Bhouraskar, 'Tribal Economic Organisation and Market', *Bulletin of the Tribal Research and Training Institute, Chhindwara,* 4:2, 1964, p. 23–5.

[14] District Deputy Collector's Report, Panchmahals district, 1885–1886, BA, R.D. 1886, 30/500.

[15] F.S.P. Lely, 16 January 1901, BA, Famine Dept. 1901, 38/169 II. Lely remarked that the stocks were frequently so large as to be unsaleable.

Each sahukar firm was considered to have a right to the business with a particular client-household; any sahukar who tried to poach on another's territory would be considered to be acting in a very disreputable way. In the words of A.K. Forbes, writing on Gujarat in the 1850s: 'the village waneeo will consider his property invaded if any other trader proposes to deal with his constituents.'[16] If a usurer was approached by the client of another; he was likely to be sent away.[17] In the Rewa Kantha region of Gujarat it was not uncommon to hear a village described as being 'of ' a particular Baniya, meaning that he had a monopoly of the usury business of that village.[18] Indebted peasants could be 'bequeathed or bestowed in dowry, &c., just as any other property'.[19]

For the peasants, the chief advantage of such an arrangement was that the relationship was made personal. Their sahukar was familiar with them and their needs and had a certain sense of obligation towards them. In part this was a matter of hard interest; it was not to the advantage of a sahukar if a client household became so destitute that the debt could no longer be serviced. As Manilal Nanavati said about the Baniyas of Gujarat in 1913: 'However hard-hearted a Bania may be, he will in most cases try to save his client. He will never try to ruin him...[for he] wants to suck him alive...'[20] But over and above this, the Baniyas and the peasants shared a common culture of obligation, in which the rich were seen as having a duty to nurture the poor. There is a Rajasthani proverb: *Dam dugna, dhan tigna*, the gist of which is that those who have grain have a higher obligation to supply it to those who do not as it sustains life.[21] Peasants could appeal to their Baniya's sense of obligation in this respect. In Rajasthan, it was common to hear the refrain in a Baniya's shop: '*Aap hamari Bohra hai, aap*

[16] A.K. Forbes, *Ras Mala*, p. 547.

[17] Forgett, Principle Sadr Amin, Ahmednagar, 1846, IOL, Board's Collection, F4 2472, No. 46, 1852.

[18] *Gazetteer of the Bombay Presidency*, vol. VI, *Rewa Kantha, Cambay and Surat States*, Bombay, 1880, p. 41.

[19] *Dahod Taluka Revision Settlement Report, 1904, Selections from the Records of the Bombay Government*, No. 381 — new series, Bombay, 1909, p. 6.

[20] Manilal Nanavati, *Report on the Agricultural Indebtedness in the Baroda State*, Baroda, 1913, p. 59.

[21] Sardar Singh, *The Lessons I Received and My Pali Tour Diary*, Jodhpur, 1896, p. 147.

hamari rakhvali karti hai' — 'You are our Bohra, you look after us.'[22]

The sahukar was thus expected to act as a benefactor, as reported by a British official in Gujarat in 1840:

> ...the poorer natives regard the village Banyan as a friend, who in times of need supplies them with the means of celebrating marriages, performing religious ceremonies, and enjoying the few other festivals in which they indulge, and in which they must, by inevitable custom, disburse large sums of money. Without such a resource, the progress of their very lives would be impeded. In this view, the Banyan is a positive benefactor to his indigent neighbours, a refuge against the consequences of their own unthriftiness and so, I think, he is generally considered.[23]

Such feelings were conveyed well by three Rabaris of Arambhada village in Saurashtra who told me in 1988: 'the Vanios used to nurture us', using the Gujarati verb *nabhavu* — to keep faith in, keep alive or nurture.[24]

There were a number of ways in which these sentiments were expressed and acted out. When a client visited the Baniya's shop, the latter would greet him with a warmth not accorded to a casual customer. In Gujarat, it was common for the sahukar to offer tobacco or some refreshment or snacks to the client. He would speak in a soothing way, and the peasant would reply in a tone of respectful familiarity. In Gujarat it was common in such a situation for peasants to call their sahukar kaka (paternal uncle) or *mama* (maternal uncle).[25] The sahukar would make enquiries about their circumstances in a tone that showed concern for their family welfare. If some celebration

[22] Interview with Chhotaji Bhatt, Tilonia, April 1987.

[23] W. Simson, collector of Surat, 29 July 1840, BA, R.D. 1844, 107/1664.

[24] Interview with Jiva Kenga Mori, Lakdir Devsi Mori and Sajan Samra Mori, Arambhada, Okha taluka, Jamnagar district, January 1988.

[25] Ghanshyam Shah, *Caste Associations and Political Process in Gujarat,* Bombay, 1975, pp. 23–4; Y.V.S. Nath, *Bhils of Ratanmal: An Analysis of the Social Structure of a Western Indian Community,* Baroda, 1960, p. 52; interview with Manibhai Vora, Porbandar, February 1988. In Jhaverchand Meghani's short story about Saurashtra, 'Kanji Sheth's Instalments', the peasants talk amongst themselves about 'our Kanji Sheth'; but in the presence of the sahukar address him as 'Kana kaka' or 'Kanji kaka'. Jhaverchand Meghani, 'Kanji Shethno Kandan', *Meghanini Kishorkathao,* vol. 3, Bhavanagar, 1985, pp. 1–13. In Rajasthan, however, such a form of address was felt to be too familiar, 'Shethji' or 'Bohraji' being preferred when face-to-face. Interviews with Chhotaji Bhatt, Tilonia, April 1987; Sualal Jain, Mangiawas, Ajmer district, January 1989.

was due in the family he might offer a loan to make it possible. The peasant would then ask the Baniya to honour the ceremony with his presence. Even if he did not attend a function, such as a marriage, the sahukar would often send a gift — perhaps a length of cloth or some cash. If there was some dispute within the family the sahukar might offer to arbitrate. When the Baniya held a celebration in his own household, peasants might show their appreciation by sending a son or daughter to help serve the guests.

The sahukar took an active interest in the welfare of his client's household in other ways too. If a peasant had failed to take a loan to sow his fields, the Baniya might go to his house and ask him the reason. If the peasant's reply was that he was too embroiled in debt, the Baniya would tell him that it was most important that he continue his cultivation, and insist on providing seeds.[26] In Modhvada village of Saurashtra I was told by a Vankar peasant that the sahukars never let them starve. On one occasion they did not have enough to feed their children. The sahukars came on their own initiative and gave food to the children. The sahukars helped them out in this way when they were in need and they did their best to repay what they had borrowed.[27]

The peasants often looked to the sahukar in this respect as a kind of parental figure who would nurture them in times of need. When a large number of peasants of Thane district petitioned the Bombay government in 1840 they described their sahukars in the following terms: 'Considering the sahookar as our parent and that he would save our lives at a critical moment, we settled his claims according to our circumstances. Thus both the ryot and the sahookar were able to sustain their situation.'[28] A few years later Bali Salaji, a Maratha peasant who owed money to the Baniya, Mulchand Khemchand, told the Deccan Riots Commission: 'I had to trust to the sowkar. (I say to him) You are my mother, and I am your son, say truly what the amount [owed] is.'[29]

[26] Interview with Kacharabhau Hamirbha, Arambhada, Okha taluka, Jamnagar district, January 1988.

[27] Interview with Sanabhai Virambhai, Modhvada, Porbandar taluka, Junagadh district, February 1988.

[28] Petition by ryots of Raighad, Rajpuri and Saukse talukas of Thane district to Bombay government, 27 July 1840, BA, R.D. 1840, 110/1194.

[29] *DRC*, Appendix B, p. 5.

The last statement has many implications, which need to be spelt out. Bala Salaji had no choice but to accept Mulchand Khemchand's word about the state of his financial affairs. He did not after all have any effective access to the usurer's account books, and he therefore had no choice but to 'trust' the usurer. But Bala Salaji knew that Mulchand, like all Baniyas, was devious in such matters. His tactic, then, was to appeal to the usurer's better nature — that he should act towards his client as a mother would towards her son. By stating their relationship in such terms, Bala Salaji claimed a familial closeness while at the same time acknowledging Mulchand's superiority. This, he hoped, would kindle in the heart of the usurer a feeling of benevolence. For however exploitative the Baniyas were, they also saw themselves as good and compassionate men who had certain duties towards members of their 'family' of debtors. As a British official later remarked about the Baniyas: 'their attitude is apt to be: "The poor are always with us...Thank God...Let us exploit them." [But on the other hand] They are kindly gentlemen who long to do good, including even to the poor provided always that the poor remains underdog.'[30]

The self-esteem and reputation of the Baniya and the client became in this respect intertwined. An important part of the Baniya's persona was bound up with the psychological need for the goodwill and gratitude of clients. A Baniya whose clients acknowledged their subordination with talk about their child-like dependency would feel valued and worthy. The dependence of the client drew attention to the power of the patron. Baniyas who could not protect their clients or who were not acknowledged with due respect could lose standing amongst other Baniyas. Similarly, by accepting the 'parental' role, the sahukar bestowed status on the peasant, who was seen in the village to have a valuable benefactor. Peasants who failed to receive help from their sahukars in times of need lost face in their own community.[31]

Elizabeth Fox-Genovese and Eugene Genovese have pointed out the deep ambiguities involved in all such paternalistic relationships. In a certain respect the regard of the subordinate for the patron-figure

[30] Calvert to Heale, 3 January 1926, RSA, Ajmer, C.C. Branch, 1919–1927, SN 869, F. 1107, Pad 54 B.

[31] See Pierre Boudieu, *Outline of a Theory of Practice,* p. 190; J.K. Campbell, *Honour, Family and Patronage,* pp. 259–60.

was genuine, being an internalization of a child's first experience of the parents, who are both beneficent and nurturing as well as harsh and punishing. In the wider and more brutal world beyond the family the subaltern continued to seek the protection of a nurturing authority. But at the same time, the subaltern had his own pride: 'the no less ubiquitous need of the personality to rebel against domination and to assert itself.' The two authors conclude that 'at issue above all else remains the endless struggle to reconcile these tendencies, or rather to order them in such a way as to make submission palatable, rebellion legitimate, and the contradiction between the two bearable'.[32]

In another work, Eugene Genovese has brought out how such a relationship has its more vicious side:

> Inherent in this doctrine [of paternalism] were dangerously deceptive ideas of "gratitude", "loyalty", and "family". Inherent also was an intimacy that turned every act of impudence and insubordination — every act of unsanctioned self-assertion — into an act of treason and disloyalty, for by repudiating the principle of submission it struck at the heart of the master's moral self-justification and therefore at his self-esteem. This could explain the sudden cruelty and vindictiveness of otherwise indulgent masters.[33]

Likewise in India, the normally 'benevolent' Baniya could turn nasty if he felt 'betrayed' by his peasant client. This was most obviously the case if the client asked for a loan from a different sahukar. The hurt and offended Baniya, his patronage spurned, would probably demand that the long-standing debt be repaid in full. If this failed to break the client's 'insubordination', the demand was likely to be pursued with malevolence, ceasing only when the peasant family was ruined. Even a mere hint of distrust or disloyalty on the part of the peasant was enough to provoke an angry response. A sahukar might take umbrage if his client went to another trader to buy a few goods. The anthropologist, Y.V.H. Nath, once heard a sahukar reproach a client: 'Why do you come to me for other things all the year round, when you buy for Holi elsewhere. I don't want your custom. You can take it away.'[34] If a peasant demanded a receipt from a Baniya after paying a debt-instalment, the Baniya

[32] Elizabeth Fox-Genovese and Eugene Genovese, *Fruits of Merchant Capital*, pp. 120–2.

[33] Eugene Genovese, *Roll, Jordon, Roll*, p. 91.

[34] Y.V.S. Nath, *Bhils of Ratanmal*, Baroda, 1960, p. 52.

would take this as implying a lack of trust in his honesty and thus an insult to his honour. A peasant of Rampur village of Ahmadnagar district told a Commission of Enquiry in 1891 that when he handed over forty rupees to his sahukar to service his debt the usurer refused to give him a receipt, saying: 'If you don't trust me I will sue you for the money you owe me.'[35] Two decades later, a judge of Belgaum wrote:

> I believe that throughout the Presidency it is a settled habit with them [sahukars] never to give receipts unless obliged to and to affect to consider a demand for a receipt on the part of a peasant a personal affront.[36]

Similarly, a judge reported from Gujarat:

> Most moneylenders have a great objection to giving receipts. If a cultivator asks for one the moneylender says, 'my father never gave your father a receipt, why should I give you one. Pay up your balance and find a new moneylender'.[37]

In this case, the sahukar is reminding the peasant of the paternal nature of the relationship in a number of ways. He is pointing out that the debt is an old family one, and that it is the duty of a son to honour the debt of his father. Also implied is that the father of the peasant trusted his patron, the father of the sahukar, in a way that the son does not, and that the sahukar has no inclination to continue to deal with a person who cannot honour his filial duty towards the memory of his ancestors as well as to his present sahukar. He then demands that the peasant pay the balance of his debt, well knowing that this is not possible. The peasant is left with no choice but to humour the usurer by apologizing profusely for his act of 'insubordination'.

If a peasant who was in a position to repay his debt in full announced to his sahukar that he intended to settle his affairs, the Baniya was likely to take this also as an insult. The implication for the Baniya was that the peasant no longer had any use for a benefactor who had helped him and his forefathers for generations. It was

[35] *Report of the Commission Appointed to Inquire into the Working of the Deccan Agriculturists' Relief Act 1891–1892,* Appendix I, Calcutta, 1892, p. XXXI.

[36] E. Clements, District Judge, Belgaum, 1 September 1910, BA, J.D. 1911, 111/2383.

[37] B.C. Kennedy, District Judge, Ahmedabad, 13 July 1912, *Letters Addressed to the Dekkhan Agriculturist' Relief Act Commission on the Subject of Money-lenders Accounts* (printed report in Gokhale Institute Library, Pune, 1914), p. 84.

therefore seen as an act of extreme ingratitude, even defiance. The Baniya would then try to make life very difficult for the peasant and his family in whatever ways he could. It was better, therefore, for even a relatively prosperous peasant to keep a debt running as an insurance against possible misfortune in the future.

Chapter Seven

Cycles of Debt

So far, we have examined the ways in which the state helped to promote the power of the usurers, and the various social and ideological dimensions of that power. In this chapter I shall examine the ways in which sahukars exerted their power by taking advantage of the various seasonal and periodic needs of the peasantry.

It was often said that the power of the Baniya was at its height in summer. 'An agriculturist in the harvest season, a he-buffalo in the rainy season, and a bania trader in summer', ran a proverb of the Thakurs of Maharashtra, describing the times when different elements were in their prime.[1] The reason for this was that the peasants were most in need of hand-outs from the grain-hoards kept in the houses of the usurers during the summer months between April and June, and also, to a somewhat lesser extent, during the early monsoon, before their crops had begun to ripen. Once some grain appeared on the stalks, the peasants could consume it, even though still green.[2] According to a sub-judge of Sangli district, writing in 1875, about four-fifths of the peasants needed to borrow food from after the end of the month of Vaishakh (roughly May) each year.[3] Poorer peasants had to often go to the Baniya even earlier. It was reported in 1855 from Kheda district that many Kolis would exhaust their own supplies of food by the end of March each year.[4] In areas in which the peasants depended chiefly on the *rabi* harvest, the time of greatest need came later, between October

[1] Chapekar, *Thakurs of the Sahyadris,* p. 15.

[2] Sumit Guha, 'Commodity and Credit in Upland Maharashtra 1800–1950', *Economic and Political Weekly,* 22:52, 26 December 1987, p. A-128.

[3] *DRC,* Appendix B, p. 178.

[4] Collector's Report, Kheda district 1855, BA, R.D. 1858, 29.

and January. This was the case in Ahmedabad district, where many peasants raised wheat or cotton, both rabi crops.[5] The grain handed out in times of such need was old and often rotten; so rotten, according to one official, that even cattle would not eat it.[6]

There is a good description by a Maharashtrian judge as to how debts were built up through such borrowing. In the first instance, the wife or daughter or son of a Kunbi peasant might go to the Baniya's shop to obtain some groceries:

> The banya or perhaps his son who gives these things does not necessarily make all these entries in his books, if he keeps any regular accounts at all. The next day some other things are taken, very often on credit. Things go on like that for weeks, and no payment is made. And the banya then refuses to give things further on credit. The refusal goes to the ears of the fieldman. He comes to the shop and takes the banya to task for being so impolite to his wife and children, as if he were a man without property. Perhaps the banya apologizes; or, in the case of a Kunbi of no credit, returns the abuse with interest. Finally the matter is settled. And Rs 2 is fixed as the amount due. And it is agreed that at the harvest time two maunds of juwari are to be given, and in the meantime the banya is to make no trouble about giving things on credit.[7]

In Maharashtra it was common in the early nineteenth century for an agreement to be made that for every maund of grain advanced for subsistence during the lean months, between one and a quarter to two maunds of grain were to be repaid at harvest. In some cases, it was stipulated that valuable cash crops, particularly cotton, or *gur* made from sugarcane, be repaid for grain.[8] In Saurashtra, peasants were sometimes forced to agree to repay such a loan with more valuable grain, such as wheat for bajra, or bajra for juvar, and even then at one and a half to one and three-quarters the weight of the amount borrowed.[9] This often led to a situation in which the crops

[5] V.V. Divatia, *All-India Rural Credit Survey: District Monograph Ahmedabad* (typescript in Gokhale Institute Library, Pune, no date, but was for 1951–1952), pp. 116–17.

[6] Memorandum on the Rural Police in the Poonah Zilla with Suggestions for Improving the Condition of the Ryots, 1851, BA, J.D. 1851, 12.

[7] M.V. Kathavate, 22 July 1912, *Letters Addressed to the Dekkhan Agriculturists' Relief Act Commission on the Subject of Moneylender's Accounts,* printed report in Gokhale Institute Library, Pune, dated 1914, p. 106.

[8] Arthur Steele, *Summary of the Law and Custom of Hindu Castes within the Dekhun Provinces,* Bombay, 1827, pp. 261–2.

[9] *Redemption of Agricultural Indebtedness in Bhavnagar State,* Bombay, 1934, p. 13.

of a whole village were in effect mortgaged in advance to sahukars.[10]

During the period of annual dearth, the peasants also needed to lay in seed to sow their fields once the first rains came. Again, they often had to borrow the seed from their sahukars. Because the Baniyas had a vested interest in the success of the harvest, they were careful to ensure that the seed grain handed out was of good quality — in contrast to the half-rotten corn they normally gave for subsistence. In return, they demanded that a much higher proportion be given back at harvest. In south Gujarat there was a common saying: '*bi bamnu ane khavti dodhi*', meaning that peasants had to return half as much again for subsistence loans, but double the amount for seed loans.[11]

Because the Baniyas knew that they would be able to appropriate much of the harvest, as a rule they tried to ensure that a good proportion of the crops sown were those with a high market value. Subsistence and seed advances might be made on the condition that the debtor grow such crops. Cotton, sugarcane, wheat, rice and opium were popular with the sahukars in this respect. Sahukars in Maharashtra made fortunes in the mid-nineteenth century by demanding that their debtors grow cotton for them.[12] This was also the case in Saurashtra in the early twentieth century, where it was reported from Bhavnagar state that many sahukars would not give loans unless the peasants agreed to repay in cotton. Often, the amount of cotton stipulated in the loan agreement was more than the peasants could possibly grow, so that they ended the season deeper in debt.[13] It was likewise reported from Mewar state in 1885 that when opium prices were high, the Baniyas ensured that their debtors grew more opium poppies than when prices were low.[14] The sahukars made particularly big profits on opium. According

[10] Report by W. Chaplin, 1822, in DRC, Appendix C, p. 269.

[11] Report of the Raniparaj Investigation Committee of 1927, quoted in I.I. Desai, *Raniparajma Jagruti,* Surat, 1971, p. 35. This was the standard rate in the region also in the nineteenth century. See *Annual Administration Report, Bansda State 1876,* seen in manuscript form in the palace of the Maharaja of Vansda. Different proportions of the crop were taken in other regions. For fuller details, see chapter nine.

[12] Neil Charlesworth, *Peasants and Imperial Rule,* Cambridge, 1985, p. 89.

[13] T.K. Trivedi, *Report of the Khedut Debt Inquiry Committee, Bhavnagar State,* Bhavnagar, 1931, pp. 36–7.

[14] A. Wingate, *Proposals for the Settlement of the Jat Pergunnahs of Meywar,* Bombay, 1885, p. 18.

to a Panchmahals officials, writing in 1875: '...the ryots get far less a pound of juice than their Soukars eventually get per ounce of opium made from it.'[15]

The peasants, in their turn, tried to resist having to grow such cash crops, preferring subsistence crops with a low market value which would be less attractive to the sahukars. A settlement officer for Jhansi reported in 1893: 'Wheat is grown mainly for the bania and revenue collector; and the predominance of wheat soil in a village is frequently referred to, in seeming paradox, as a serious hardship.'[16] A settlement officer in Navsari district of Baroda state asked some peasants in 1911 why they preferred to grow *kodra* and *banti* — two low-value grains — rather than the more lucrative crop of cotton. 'Cotton', they replied, 'gets taken away by the Vaniyas; kodra and banti is left in our houses.'[17] However, being in a position of powerlessness at the time of sowing, the peasants were often in no position to resist the Baniya's demand to grow the crop of his choice.

It was common for the Baniyas to wait until the first rains before handing out seed advances. This was to ensure that the seed was not lost if the monsoon failed. If there was no rain, there were no advances.[18] On the other hand, when the monsoon appeared to be good, the seed given out for foodgrain crops was sometimes rationed in such a way as to ensure that the peasants sowed only a limited area. Bumper grain harvests lowered grain prices, and thus the value of the Baniya's hoard, and also meant that the peasant was less likely to be dependent on the sahukar in the forthcoming year. This practice came into the open in Marwar state in the 1890s, when the government attempted to break the power of the sahukars by making its own advances of seed-grain. The government's conditions were that an equal amount of grain be returned at harvest. These terms — of nought per cent interest — were obviously far better than any the Baniyas would have given. The sahukars were

[15] Assistant Collector's Report, Panchmahals district, 1874–1875, BA, R.D. 1875, 3/963.

[16] Quoted in Eric Stokes, 'Agrarian Relations: Northern and Central India', in Dharma Kumar (ed.), *The Cambridge Economic History of India,* vol. 2, Cambridge, 1982, p. 75.

[17] R.H. Ambegavkar, *Vankal Peta Mahal Settlement Report 1911,* Baroda, 1912, p. 3.

[18] Evidence of Padamji Illava of Ilav, Ankleshwar taluka, Broach district, 27 November 1929, *BPBEC,* vol. III, p. 342; D. Symington, *Report on the Aboriginal and Hill Tribes of the Partially Excluded Areas in the Province of Bombay,* Bombay, 1939, p. 61.

angered by this measure, and they insisted that their clients take seed-grain from them also. The result was that a much larger area of land than normal was sown, leading to an unusually profuse harvest. From this it is clear that the Baniyas of Marwar had previously rationed seed-grain to ensure that the size of the harvest be in proportion to what they foresaw as being in their own best interests.[19]

Once seed had been advanced, it was in the interest of both parties to ensure that the crop succeeded. Baniyas would therefore continue to provide credit so that the peasants had the means to carry on their cultivation. If, for instance, a debtor was without a bullock-team to work the land, sahukars might hire out a couple of bullocks to them at high rates of interest.[20] Once the crops began to ripen, the sahukars kept themselves well informed as to when it was likely to be ready for harvesting. They then appeared at the time of the harvest to ensure that nothing was removed before they could lay their claim. The collector of Ahmadnagar district remarked in the early 1870s that he had often seen sahukars sitting in the fields keeping a close eye on their debtors while the crops were being reaped.[21] A politician of Surat district who tended to see things through the eyes of the usurers commented in 1929:

> ...when the harvest is ready, they [the sahukars] go round from house to house and village to village to collect crops in return of money, seeds, food-grains, etc., supplied by them. I would not find fault with them so doing; because if they do not remain on alert or watch, they might not get anything for what they had advanced.[22]

From Khandesh it was reported at the same time that many sahukars kept *bhayas*, or hired strong-men from northern India, who went to the villages which the sahukars themselves could not reach to carry out this surveillance and collection.[23]

[19] *Report on the Administration of the Marwar State for the Year 1896–1897*, Jodhpur, 1898, p. 25.

[20] A.T. Holmes, *Report on the Land Revenue Settlement of the Dungarpur State, Rajputana in 1904–1905*, Allahabad, 1905, p. 11.

[21] G. Norman, collector of Ahmadnagar 1872–1874, quoted by his successor H.B. Boswell in his Collector's Report of 1873–1874, BA, R.D. 1874, 3/1367.

[22] Evidence of Bhimbhai Naik, M.L.C., Surat, 18 November 1929, *BPBEC*, vol. III, p. 43.

[23] Evidence of P.M. Bildikar, Pachora taluka, East Khandesh, 15 November 1929, *BPBEC*, vol. II, p. 817.

Once the grain was on the threshing floor, it was time for the division of the crop. This was for both parties a crucial annual event. Another collector of Ahmadnagar, writing in 1899, has described this moment well:

> It is when the produce is on the threshing-floor that the relations between borrowers and lenders are put to the test. The borrower endeavours to conceal some of his produce on his neighbour's threshing-floor, the lender allows for this, though he feigns ignorance, and negotiations proceed. So much be left for maintenance, so much must be given to the savkar in payment of the debt, including interest, and so on and so forth.[24]

An assistant collector of Kolaba district described in 1892 the way in which the crop was divided, in this case rice. The rice was placed in measuring vessels, known as *faras*, and by convention it was meant to go in without any shaking down, as this affected considerably the amount of rice needed to fill the vessel. Also, the rice was not meant to be heaped above the level of the rim of the vessel, and a rod was employed to scrape away the surplus.

> The saukar comes to the village with 2 or 3 servants; the ryots bring their rice and are made to sit at a respectable distance. The saukar's servants take the rice and spread it on the ground: then they fan it till all the light ears and chaff have disappeared. Then they measure it out; each measure is thoroughly shaken down and heaped up; then the levelling rod is moved very gently through the heap and as it moves forward the heaped up rice just falls over it and remains behind it *in* the fara, doesn't fall outside it at all; then for measuring the no. of faras, a handful or two handfuls of rice is taken not out of the fara — oh, dear no — but out of the ryot's rice, and put on the ground near the fara. These handfuls mount up to 3 or 4 paytis in a khandi. If the servants don't take big handfuls or don't shake the rice well down, they are dismissed. If the ryot protests against the system, up jumps the saukar: 'All right, I'm off. I don't want your rice; you may get your money from elsewhere.' Then if they let him go, he tells all the other saukars and they combine against the recusant village; and the last state of that village is worse than the first.[25]

The assistant collector reported that by these means the sahukars took between two-thirds and three-quarters of the peasants' rice crop. He said that many peasants had complained to him about

[24] Collector of Ahmadnagar district, 14 February 1899, BA, J.D. 1900, 139/508.

[25] J.P. Orr, assistant collector, Kolaba district, 19 March 1892, BA, J.D. 1893, 98/10.

the ways in which the sahukars thus appropriated their grain. In cases in which the sahukars had found out about these complaints, they had threatened their debtors with retaliation.

The proportion of the harvest taken by the usurers varied according to the circumstance and the place. Wealthy and powerful villagers, even though deep in debt, would often be able to keep much of their produce out of the clutches of the sahukars. In areas such as the Charotar tract of Kheda district in Gujarat there were many such peasants, and the power of the Baniya sahukars was correspondingly reduced. In most areas, however, there were few such cultivators. In dealing with poorer peasants, the sahukar could threaten ruin by either withholding future credit or by taking out a court case for the confiscation of land and property. As we have seen in the example from Kolaba district, such threats were ignored at peril. It was reported from Satara district in 1875 that when a peasant was deeply encumbered by debt, the sahukar took most of the produce, leaving for subsistence needs about a third of the lower-value grains grown on monsoon-fed land, and only a fifth of the more valuable crops grown on the best irrigated land.[26] Similar proportions were reported from Pune district at the same time.[27] In many parts of Gujarat, according to A.K. Forbes writing in the 1850s, the Baniya tried to carry off all the crop that remained after the government tax collectors had their share. The peasant, with much entreaty, would try to keep something back. The Baniya would tell him not to worry, saying: 'What need you care? When yours is done you can have as much as you like from my shop.'[28] A report from Bhavnagar state, relating to the 1920s, said that the majority of peasants in the area around Bhavnagar were poor Kolis, and that after the sahukars had taken their share of the crop they had left with them hardly enough for food for a month, which ensured that they were dependent on the sahukars for the rest of the year.[29] From Mewar state it was reported in 1889 that the bulk of the kharif and almost the whole of the more valuable rabi crop was

[26] G.W. Vidal, Assistant Collector's Report, Satara district 1874–1875, BA, R.D. 1875, 8/608.

[27] *DRC*, Appendix C, p. 38.

[28] A.K. Forbes, *Ras Mala*, London, 1878, p. 548.

[29] T.K. Trivedi, *Report of the Khedut Debt Inquiry Committee Report, Bhavnagar State*, Bhavnagar, 1931, p. 18.

taken by the mahajan. The official noted that 'for the smaller ryot it is almost true to say that they hand over the gross produce in return for a maintenance'.[30] From Marwar it was reported in 1900 that the Baniyas took away all the more valuable wheat crop, leaving the peasants only some of the less valuable maize and barley. There was in the region a proverb to this effect: *kuro, karsa khai gahon jime Baniya*, meaning 'the coarse grain is eaten by the cultivator, while the Baniya enjoys the wheat'.[31]

From south Gujarat it was reported in 1871 that the Dhodiyas of Pardi taluka handed over almost the entire harvest to their sahukars, keeping only some grain of low value, such as *nagli* and kodra, for their bare subsistence.[32] The settlement officer for Mandvi taluka recounted how he 'asked the Patel of Moticher why he did not take the produce of his field to the best market and dispose of it himself, instead of selling [sic] it to the Banian at rates, as he confessed, fixed by the Banian himself. His simple reply was that, if he did, the Banian would stop his credit and press him for the money that is owing'.[33] In Umarpada taluka of Baroda state, it was common in 1915 for the sahukars to take all the cotton crop grown by the Vasava peasants.[34] A sociologist who lived amongst the Chodhris of Mandvi taluka of Surat district in the late 1920s estimated that the sahukars took away all the best wheat crop, about 40 per cent of the rice and *juvar* crops, but only about 15 per cent of the least valuable crops of kodra, nagli and banti. In all, he estimated that about half the gross produce of the villages was carted away by the sahukars.[35]

Once the crop had been divided, it was in some cases kept in stores which the Baniyas maintained in the villages. More often, however, it was removed to their shops-cum-residences. In Maharashtra in the 1880s it was common for the peasants to be required to deliver their produce to the sahukars on their own bullock

[30] A. Wingate, *Settlement Report upon the Sadri Zillah of the Meywar State*, Bombay, 1899, p. 9.

[31] Pandit Sukhdeo Prasad, *The Final Report of the Famine Operations in Marwar during 1899 and 1900*, Jodhpur, 1900, p. 157.

[32] *Pardi Taluka Settlement Report, 1871*, Bombay, 1904, p. 44.

[33] *Mandvi Taluka Settlement Report 1872*, Bombay, 1904, p. 41.

[34] Note of Inspection by K. Jhadav, 27 July 1915, *Vajpur and Umarpada Settlement Report*, Baroda, 1916, Appendix A.

[35] B.H. Mehta, 'Socio-Economic Conditions of the Chodhra, An Aboriginal Tribe of Gujarat', unpublished M.A. thesis, University of Bombay, 1933, pp. 587–8.

carts. This might involve a journey of up to about forty kilometres one way. If only a small amount of grain was involved, the Baniya might make arrangements to cart it himself.[36] In adivasi areas it was more common for the Baniyas to keep their own carts, which they sent to the villages at harvest time.[37]

II

The usurers did not have the sole lien on the harvest: the government also claimed its share. In pre-colonial times officials generally demanded that the leading peasants of a village provide a guarantee for a certain sum to be paid as tax, the guarantee being underwritten by a sahukar who dealt with the village. The sahukar was then left to appropriate much of the harvest, sometimes being helped in this task by government functionaries, after which he paid the agreed tax to the officials. The crop which the sahukar took thus represented in part the tax due to the state and in part his profit.

The British, who wanted to deal directly with the peasants, sought to bring an end to this system. They did not, however, trust the peasants to harvest their crops and pay taxes on their own initiative. Tax officials were directed to keep a close watch to ensure that no portion of the harvest was removed before the state had taken its share. A rule was imposed that the peasants were not permitted to cut their crops until they had written permission from the *mamlatdar* in charge of the pargana. This was likely to be refused if they had not paid their previous year's tax demands in full. Once harvested and on the threshing floor, the peasants were forbidden to remove the crop until their current tax had been paid. Mountstuart Elphinstone claimed in 1821 that this new arrangement would work for the good of the peasants against the sahukars.[38] In fact, the

[36] A.B. Fforde, 13 November 1883, BA, R.D. 1883, 29/1934.

[37] S.M. Bharucha, deputy collector, Panchmahals district, 14 January 1901, BA, Famine Dept. 1901, 37/169, pt. 1; I.I. Desai, *Raniparajma Jagruti,* p. 36; T.B. Naik and K.M. Bhouraskar, 'Tribal Economic Organization and Market', *Bulletin of the Tribal Research and Training Institute, Chhindwara,* 4:2, 1964, pp. 25–7. According to the last work cited, the fourteen sahukars of a town in a Bhil tract kept between twenty-one carts which were used to collect the crops of their debtors. Only one sahukar had no cart; three had one, eight had two, one had three and one had four.

[38] M. Elphinstone, 'Minute by the President, 6 April 1821', in George W. Forrest (ed.),

reverse was the case. Because they had to pay their tax before they were allowed to take away their crops, the peasants were forced to borrow cash from the Baniyas 'who are always at hand on these occasions'.[39] They then had no choice but to take the produce to the Baniya's store to repay the loan. The new system therefore not only failed to break the hold of the Baniyas but in fact caused the peasant much greater inconvenience, for they now had to search out the mamlatdar to obtain permission to harvest their crops, a permission which could be refused, and afterwards ended up, as before, carrying most of their crop to town to fill the Baniya's granaries.

In practice, many local officials ignored government policy in this respect. It was reported in 1837 that in many parts of Maharashtra the mamlatdars continued to take promissory notes from sahukars which were redeemed soon after the harvest. This enabled the peasants to dispose of their crops without having to pay their tax beforehand. It was estimated that in nine out of ten cases the crop was taken by the sahukar who had given the security. Only the most prosperous peasants — the top 10 per cent — marketed their crops as they wished. Another report, of 1843, noted that this system of security prevailed most strongly in fertile areas in which the peasants were poor and the crops required considerable capital for cultivation.[40] Similarly, in Kheda district, the collector reported in 1840 that almost three-quarters of the land tax for 1839–1840 had been collected from sahukars who had provided guarantees before the harvest. This was despite the fact that the authorities had been trying for many years to abolish the custom.[41]

The collector of Ahmedabad district described in 1846 how land tax was paid by different classes of peasants. The wealthiest peasants, who were responsible for paying about 30 per cent of the total land tax, paid demands promptly in cash. Below them was a strata of better-off peasants who had to ask their sahukars to pay their

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Selections from the Minutes and Other Official Writings of the Honourable Mountstuart Elphinstone, London, 1884, p. 489.

[39] Thomas Marshall, 'A Statistical Account of the Pergunna of Jamboosur', in *Transactions of the Literary Society of Bombay*, vol. 3, 1823, p. 367.

[40] Sumit Guha, 'Commodity and Credit in Upland Maharashtra 1800–1950', *Economic and Political Weekly*, 22:52, 26 December 1987, p. A-129.

[41] Kirkland, collector of Kheda district, 8 October 1840, BA, R.D. 1844, 107/1664.

taxes at collection time. They then marketed their produce themselves, repaying the sahukars from the proceeds. Below them was a class of peasants whose debts were about equal to the value of their property. They dealt very little in cash. Their sahukars paid their taxes and provided most loans in kind. Below them was a class of poorer peasants who had no prospects of ever repaying their debts. Their sahukars took all their produce at harvest and paid their taxes.[42]

The system of sahukar security died away gradually in British-ruled territory in the second half of the nineteenth century. Increasingly, the sahukars provided cash for the peasants at the time of tax collection, after which they appropriated as much of the crop as they could.[43] Forms of security survived only in a few pockets, such as the adivasi tracts of Surat district, from where it was reported in 1895 that the peasants were often stopped by the village-based tax officials, the talatis, from removing their crops from the threshing floor until they either paid their tax or gave security.[44]

The system continued, however, in many princely states. Although moves were made in Baroda state from after 1875 to eliminate it, a report of 1891 for Siddhpur in north Gujarat said that it was still in general use.[45] In Sadri district of Mewar state, each peasant family was required to have a sahukar to provide a guarantee to the state that the family would pay its land tax. Without such a guarantee, the family was not allowed by the state officials to sow its fields. The tax was collected directly from the sahukars.[46] In Bikaner state, leading sahukars and peasants were summoned by the tax collectors just before the land tax was due. The three parties thrashed out an agreement on the amount that would be paid. Once decided, the sahukars paid the sum on the spot, after which they were expected to collect the taxes directly from the villages. The officials provided help with this task, furnishing them with

[42] E.G. Fawcett, collector of Ahmedabad, 28 October 1846, BA, R.D. 1847, 161/959.

[43] For instance, see Assistant Collector's Report, Pune district 1874–75, BA, R.D. 1875, 7/960.

[44] Collector's Report, Surat district, 1894–1895, BA, R.D. 1895, 38/1305.

[45] F.A.H. Elliot, *The Jamabandi Settlement Report of the Siddhpur Taluka 1891,* Baroda, 1891, p. 19.

[46] A. Wingate, *Settlement Report upon the Sadri Zillah of the Meywar State,* Bombay, 1889, pp. 7--8.

horse and camel men to enable them 'to oppress and despoil the ryots'.[47]

In the jagirdari villages of Rajasthan, taxes were for the most part paid in kind. In Agolai, a jagirdari village of Marwar state, the manager or *kamdar* of the jagirdar was a Jain Baniya who lent money to the villagers. After harvest, the peasants' crops were brought to the threshing floor and divided there. The kamdar went and first took the jagirdar's share, which was one-fifth of the crop, then took his own share, representing the repayments for loans he had given. After this other sahukars were allowed to take their share.[48]

Even in the British areas, the village tax officials, known as kulkarnis or talatis, continued to work in close co-operation with sahukars. An assistant collector of Satara reported in 1874 that the kulkarni and the sahukar 'journey up the valley together, and the one credits the account, whilst the other tables the money. In exchange for his coins, the sowkar gets more or less of the ryot's grain according as it is a good or a scarce season'.[49]

In the Panchmahals district in 1878 it was reported that the Baniyas took most of the grain of the Bhil peasants and paid their taxes: 'As a matter of fact, the Talatis collect the revenue from the Bania...'[50] In the western part of the district, where the poorer peasants were mostly Dharalas (a Koli subcaste): 'Banyas almost always pay the assessment for the Dharala cultivator and the Banya usually comes to the Chora [government office in the village] with a bag of rupees and shells out.'[51] In Thane district, in 1874, when the outlaw Honiya Kengle went one evening to loot a sahukar he found the usurer sitting on the veranda of his house with the talati. They forced the sahukar to show them the recess in the wall in which he had hidden his cash and jewellery, worth Rs 1800. With it was Rs 168 of government tax collected by the talati, left there

[47] P.W. Powlett, *Gazetteer of the Bikaner State,* Bikaner, 1932, p. 114. In Bikaner state, 386 out of 1814 villages were Khalsa, or under direct government rule. The rest were under jagirdars.

[48] Interview with Kunvarlalji Opla, Agolai, Shergadh tahsil, Jodhpur district, March 1987.

[49] A. Wingate, Assistant Collector, Satara district, 1874, *DRC,* Appendix B, p. 181.

[50] *Dahod Taluka Settlement Report, 1878, Selections from the Records of the Bombay Government,* no 381 — new series, Bombay, 1909, pp. 9 and 16.

[51] Comment by H.D. Rendell, assistant collector, Panchmahals district, 24 February 1901, in *Kalol Taluka Revision Settlement Report, 1900, Selection from the Records of the Bombay Government,* no. 418 — new series, Bombay, 1904, p. 62.

for safekeeping with the sahukar.[52] Clearly, the two worked closely together in appropriating the surplus of the peasants.

III

This collusion between government officials and usurers left the large majority of peasants without any choice as to how they would market their crops. The government insisted on collecting its taxes before the harvested crops left the threshing floor, which meant that the peasants had to borrow to pay. Local officials then actively helped the sahukars to take much of the crop. Because advances had been made in the preceding year — and indeed years — by the sahukars, the peasants were legally in debt, and the Baniyas could, if necessary, look to the civil courts to support them in their actions.

The peasant's helplessness in this respect is brought out in an account of Akola taluka of Ahmadnagar district for the 1830s. The rice grown in these valleys was of high quality and enjoyed a good reputation, and on the open market it could fetch a high price. Although grain dealers used to come to the area to purchase rice, the Gujarati Baniyas of Rajur, who controlled the credit market of the area, refused to allow their Koli clients to have any dealings with such people, even threatening to withdraw all future credit if they did so. They refused even to allow Koli debtors to sell small quantities of rice to friends at below-market rates.[53]

The poorer peasants were not however entirely prevented from selling their produce. After the main crop for the year had been taken by the Baniyas, they could often sell small amounts of whatever grain was left by their sahukar, or subsidiary produce, such as livestock, milk from their cattle, fruit and vegetables, or small timber items. In Maharashtra, Rajasthan and in the adivasi tracts of Gujarat, these goods could be sold or exchanged at weekly markets, known as *haats*. These markets were held on different days of the week at different centres, with traders going to a different haat each day. There were, for instance, 42 haats held in different places in Sholapur

[52] L.G. Cole, district superintendent of police, Thane district, 15 February 1874, BA, J.D. 1874, 52/353.

[53] A. Mackintosh, 'An Account of the Tribe of Mhadeo Kolis', *Transactions of the Bombay Geographical Society*, 1, 1836–38.

district each week, and 50 in Bijapur district.[54] Some were for all sorts of produce, while some were specialized, e.g. for cattle. Peasants commonly bartered their produce to obtain goods which were not available in their villages, such as cloth, brassware, shoes, dried sea-fish, dates, molasses, dried coconut, tobacco, cheap jewellery and other trinkets.[55]

Even here, however, peasants were at a disadvantage. Haats tended to be dominated by petty Baniyas and other traders who worked together to keep purchase prices depressed. In the adivasi areas of Sankheda taluka of Baroda state, for instance, the haats were controlled by small traders known as *hathodiyas*. It was calculated that the value of the goods they gave in exchange was worth between a quarter and a seventh of the value of the produce they took from the adivasis. They thus made large profits.[56] Sharp practices were common, such as the use of false weights and measures.

Because debts owed to sahukars were rarely repaid from the harvest — normally running on from year to year — it was not difficult for the Baniyas to insist that their debtors bring the off-season produce to them rather than take it to the market. Milch cattle and other livestock could, for instance, provide a useful minor source of income for much of the year. Milk could be sold, often processed into ghee, as well as wool from sheep.[57] In Padra taluka of Baroda state, where a lot of ghee was produced by the peasants, the sahukars commonly insisted that their debtors bring all their surplus to them to be set off against their debts. This potential source of income was therefore lost.[58] Similarly, in adivasi areas, sahukars often demanded that their debtors bring any marketable produce gathered from the forest, such as *lac* or *mahua*, which was again taken without any actual payment.[59] Sahukars generally had a fair idea of the quantities of such goods which could be produced in a year, and

[54] *BPBEC*, vol. I, p. 99.

[55] For a colourful description of a such a haat at Taloda in west Khandesh for 1896, see E. Maconochie, *Life in the I.C.S.*, London, 1926, pp. 76–7.

[56] Comment by Kyte, 9 June 1891, *Settlement Report of the Sankheda Taluka, Baroda Division, 1891*, in BRO, HPO 263/40, unpaginated section.

[57] See A.F. de Laessoe, 7 October 1892, RSA, Ajmer commissioner's office, Register 1, SN 379, file D-20, basta 30, 1892.

[58] A.N. Datar, *Report on the Economic Condition of the Padra Taluka*, Baroda, 1910, p. 7.

[59] S.C. Varma, *The Bhil Kills*, p. 354.

they would begin to ask awkward questions if the peasants failed to deliver the expected amounts.

Although better-off peasants had greater freedom to sell the bulk of their crops in a manner of their own choosing, the open market was even for them a hostile place. Town dealers often agreed amongst themselves to refuse to pay more than a particular price for each product.[60] Peasants taking their produce to town were required by convention to negotiate with the merchants through commission agents, known as *dalals* or *adhatiyas*. The commission agents knew the market, and were supposed to obtain a better price than peasants acting on their own, despite the cut of the proceeds they took as fees. In practice, however, they worked in collusion with the merchants to milk the peasants.

This was the case in pre-colonial Rajasthan, where peasants were charged at every turn for the privilege of selling their crops themselves. They often had to pay road tolls on the way to market.[61] Besides the commission fees to the adhatiyas, there were various market levies, such as the general charge on all goods sold there, the *kayali*, or weighing tax taken by state-appointed weighers, and *singoti*, levied on each head of animal sold. Peasants were moreover generally offered a lower price for produce than merchants selling in the same market.[62]

Later reports provide fuller details. In the Shekhavati region of Rajasthan, the adhatiyas took one or two pice per rupee (1.6 per cent to 3.1 per cent) as commission, after which they levied *dhulai* at two to four annas a bag, *dharmada* at two to four annas per camel or cart load, *pinjrapol* (charitable tax to pay for Jain animal sanctuaries) at two to four percent, *tolai* (weighing charge) at two to three annas per load, and a municipal toll of two to four annas a load.[63] Peasants in Kheda district who sought to sell their valuable tobacco crop on the open market had to go through dalals, who would only pay ready cash if the peasant accepted 10 per cent less. Normally, the peasants had to wait a month or two before

[60] A.D. Patel, 'Agricultural Economics of Borsad taluka (Kaira district)', unpublished M.A. thesis, University of Bombay, 1936, p. 298.

[61] S.P. Gupta, *Agrarian System of Eastern Rajasthan,* p. 103.

[62] B.L. Gupta, *Trade and Commerce in Rajasthan,* pp. 103, 107 and 215–16.

[63] Dool Singh, 'Wealth and Welfare of Shekhawati', unpublished Ph.D. thesis, University of Rajasthan, Jaipur 1956, p. 349.

payment.[64] The dalal took a commission of between 8 and 10 per cent. In all, peasants had to part with about 18 per cent of the total value of their tobacco to market it.[65]

As the commission agents were town-based, it was inevitable that they tended to look to the interests of the townsmen with whom they had a large volume of business, rather than to their peasant clients. In Rajasthan, adhatiyas commonly connived with merchants to use false weights, causing the peasants to often lose about a tenth of the value of their produce.[66] If there was a dispute between the merchant and the peasant, the commission agent was unlikely to side with the villager. For instance, after a sale had been agreed and a peasant had begun to unload his carts at the merchant's shop, the latter would often claim that the produce was of low quality and not worth the sum agreed. In such a situation the dalal invariably took the side of the merchant. It was hard for the peasant to reload the cart and take the produce back — with the merchant and dalal in collusion, he had little choice but to accept the lower price.[67]

The peasants' difficulties in the market were summed up well by the Bombay Banking Enquiry Committee in their report of 1930:

> The producer's main difficulty arises from the fact that while he is unorganized and has to act by himself, he is confronted by an organized body of distributers and exporters. When their interests conflict, the producer invariably suffers. Striking examples of this are to be found in the rings of vested interest of commission agents and merchants, especially in the Deccan and Karnatak. These look with disfavour on combinations on the part of producers and try to hamper such efforts by all means in their power, including a boycott. The ring is sometimes so strong that even some of the biggest firms in Bombay are not able to resist it.[68]

Therefore, although the opening up of communications in the late nineteenth century and the expansion of cash crop production saw an increasing number of peasants attempting to sell their produce themselves,[69] the advantage of doing so was not always very great.

[64] Evidence of C.A. Pandya, 26 November 1929, *BPBEC*, vol. 3, p. 311.

[65] M.B. Desai, *The Rural Economy of Gujarat*, Bombay, 1948, pp. 261–2.

[66] Dool Singh, 'Wealth and Welfare of Shekhawati', p. 356.

[67] *BPBEC*, vol. 1, pp. 107–8.

[68] *BPBEC*, vol. 1, p. 107.

[69] See Sumit Guha, 'Commodity and Credit in Upland Maharashtra 1800–1950', *Economic and Political Weekly*, 22:52, 26 December 1987, P. A-132.

Even in the early twentieth century, most peasants still handed over the bulk of their harvest directly to their sahukar, in this way saving themselves the trouble, expense and worry involved in going to market. It was thus calculated in 1929 that in east Khandesh about three-quarters of agrarian produce continued to be sold in the villages, only about a quarter being marketed through adhatiyas at market centres.[70]

IV

A survey of two villages of Bharuch district for 1929 showed that only 21.3 per cent of current debts were caused by routine seasonal borrowing. More important were debts caused by borrowing in times of abnormal distress — that is, during periods of dearth and famine — which accounted for 29.6 per cent of all debts at the time. Almost the equal of seasonal debts were those incurred for marriages and other ceremonials (18.8 per cent), and those for house construction and repairs (17.3 per cent).[71] A more detailed survey of twenty villages of Ajmer-Merwara in 1946–1947 found that household expenses accounted for 12.25 per cent of debt, seed and manure 2.31 per cent, wages to agricultural labourers 1.39 per cent, and land tax and rent 1.11 per cent — making a total of 17.06 per cent for all such seasonal debts. The greatest single cause of all debts, making up 21.90 per cent of the total, was marriage. Otherwise, cattle purchase accounted for 12.00 per cent of debts, funerals 7.36 per cent, digging wells and buying agricultural implements 6.38 per cent, famine and other distress 4.77 per cent, house purchase and repair 3.80 per cent, and land purchase 3.63 per cent.[72] Although these figures from two very different areas vary in ways which reflect both local circumstances and particular calamities, they bring out the fact that the causes of debt were multiple, and that the greater proportion of most peasant debts was caused by long-term, rather

[70] Evidence of S.N. Choudhri and M.G. Bhalerao, Jalgaon, 15 November 1929, *BPBEC*, vol. 2, pp. 801 and 823.

[71] *BPBEC*, vol. 1, p. 49. The figure for house construction was abnormally high, due to the widespread damage to houses by floods in 1927.

[72] Lal Sinha Saktawat, 'Report on the Investigation into Rural Indebtedness in Ajmer–Merwara 1946–1947', typescript in RSA, Ajmer-Rajputana Agency 'A' Branch, SN. 182, file A/2-7-II, pad. 49, 1947, p. 30–5.

than short-term borrowing. We have already looked at routine seasonal borrowing. Debt caused by dearth and famine is examined in the next chapter. In this section we shall look at the two other major causes of debt — infrastructural and ceremonial expenditure.

Infrastructural expenditure involved such things as the purchase of farm implements, carts, ploughs, bullocks and milch cattle, the digging of wells, and the building and repair of houses. In the early nineteenth century loans for such purposes tended to be given in proportion to the personal credit-worthiness of debtors without any mortgage or sale deeds being passed on their property.[73] The sahukars, after all, had a vested interest in maintaining a certain level of productivity. Laws passed in the late nineteenth and early twentieth centuries which tightened the rules of evidence about debts made sahukars more cautious about such loans. By the twentieth century the terms for long-term loans had become much harsher, but being in a state of need, the peasants had little choice but to comply. In Maharashtra, for instance, it was common for sahukars to demand that debtors hand over a sale deed on their land before receiving long-term loans. The usurers would give a promise, which was purely oral, that if the debt was repaid with interest they would hand back the sale deed.[74]

It was almost universal in such cases for sahukars to levy a purse-loosening charge. In Gujarat this was known as *kothali chhodaman*, being from 5 to 10 per cent of the value of the loan.[75] In Sirohi state, in Rajasthan, *khada* of 2 to 4 per cent of the value of the loan was deducted before it was given.[76] In Ajmer the amount, known as *kata*, varied from 2 to 10 per cent depending on the credit-worthiness of the borrower.[77] In Maharashtra, whereas a short-term loan was given there and then, a long-term loan was given only after ten or fifteen days. If the loan was for Rs 100 it was

[73] A. Wingate, *Settlement Report upon the Sadri Zillah of the Maywar State,* Bombay, 1889, p. 24.

[74] Evidence of M.A. Phanse, Sholapur, 11 October 1929, *BPBEC,* vol. 2, p. 611.

[75] Manilal Nanavati, *Report on the Agricultural Indebtedness in the Baroda State,* Baroda, 1913, p. 25.

[76] K.D. Erskine, *A Gazetteer of the Sirohi State,* Ajmer, 1910, p. 262.

[77] Evidence of P. Rawat, Ajmer, 10 December 1929, *Banking Enquiry Committee for the Centrally Administered Areas 1929–1930,* vol. 3, *Evidence Taken in the Province of Ajmer-Merwara,* Calcutta, 1930, p. 16.

common for the sahukar to pass a bond for Rs 200, but give only Rs 90, representing a ten percent 'purse-loosening' charge. If the debt was repaid amicably, only the sum advanced (Rs 100) was demanded, but if not, and the sahukar took the peasant to court, Rs 200 would be demanded.[78]

In some cases, the sahukars themselves organized the purchase of the necessary goods or livestock, or managed the building operations. The sahukars could normally obtain such goods and services at lower rates than the peasants, thus allowing a margin of profit. Bali Salaji, a Maratha peasant, told the Deccan Riots Commission in 1875 how he had borrowed Rs 3000 to build a well. His sahukar, Mulchand Khemchand, paid the masons and labourers directly. At the time, Balaji had no idea as to the actual cost of construction — he had, he said, trusted his sahukar. Later he found that the well had cost only Rs 1000 to build.[79]

When peasants took the loan in cash and sought to negotiate their own deals, they often found themselves worse off. In Gujarat, for instance, it was possible to buy bullocks directly from itinerant cattle-breeders who used to travel around the villages at the start of the cultivating season. It was common for these breeders to demand 60 or 70 per cent more than the going rate for bullocks, to be paid in instalments. If these were not repaid promptly the animals were taken away by force, even if only one instalment remained to be paid.[80] On the whole, the peasants were better off dealing with the usurers they knew rather than such men.

The need for such credit could arise suddenly, as, for instance, when a bullock died, a cart fell to pieces, a well collapsed, or a house burnt down. The peasant had to depend on the goodwill of the sahukar to make good the loss. This gave the sahukar the opportunity to impose very hard terms. Popular memory was full of stories of how a small debt was turned into a ruinous incumbrance as a result of such crisis borrowing. For example, some peasants of a village in Halol taluka of Panchmahals district, who were not at the time much in debt, suffered a disastrous fire in 1892 in which most of the village was destroyed. The Baniyas of nearby Halol

78 Evidence of three patils, Sholapur, 8 October 1929, *BPBEC*, p. 543.

79 *DRC*, Appendix B, pp. 5–6.

80 For details, see the evidence of J.V. Desai, Ahmedabad, 30 November 1929, *BPBEC*, vol. 3, p. 399.

town were generous with assistance, but the result was that many of the villages were soon in debt to the tune of hundreds of rupees.[81]

Loans to raise the long-term productivity of a farm could be negotiated at greater leisure, and the improvement could itself provide a security. In Mewar state, for instance, peasants who wanted to dig a well generally borrowed from sahukars to meet the cost. The sahukars took mortgages on the wells as security for the loans. As a rule, it took the peasants between twenty-five and thirty years to pay off such loans.[82]

The worst and most burdensome long-term debts were incurred time and time again by expenditure on deaths and marriages. T. Coats wrote in 1823 about the Kunbis of Loni in Pune district:

> They are usually frugal, inclining to parsimony, and not improvident; but at their marriage feasts they are lavish and profuse, and on these and other occasions often contract debts that are a burden on them for life.[83]

Coats went on to describe how marriage ceremonies often lasted three or four days and cost Rs 200 to Rs 300 or more. In the same year, Thomas Marshall, writing about Jambusar in Bharuch district, explained how the Kanbi peasants often involved themselves in debt from which they could never afterwards extricate themselves as a result of having to give large dowries to their daughters at the time of marriage.[84] In Kheda district the peasants were, in 1840, all:

> ...subject to heavy expenses at least once every 4th year or so either on the occasion of the death of some near relation, or a marriage in the family which they are obliged by the rules of their caste and religion to observe by feasting the whole of their community; to meet which such expenses, they are necessitated to have recourse to the surafs or moneylenders...[85]

A. Mackintosh, writing in the 1830s about the Mahadev Kolis of Maharashtra, stated that they spent between Rs 20 and Rs 60

[81] Assistant Collector's Report, Panchmahals district, 1891–1892, BA, R.D. 1892 35/1190.

[82] A. Wingate, *Proposals for the Settlement of the Jat Pergannahs of Meywar*, Bombay, 1885, p. 25 and A. Wingate, *Settlement Report upon the Sadri Zillah of the Meywar State*, Bombay, 1889, p. 24.

[83] T. Coats, 'Accounts of the Present State of the Township of Lony', *Transactions of the Literary Society of Bombay*, vol. III, 1927, p. 193.

[84] Thomas Marshall, 'A Statistical Account of the Pergunna of Jumboosur', *Transactions of the Literary Society of Bombay*, vol. III, 1823, pp. 351–2.

[85] Kirkland, collector of Kheda district, 8 October 1840, BA, R.D. 1844, 107/1664.

in marrying their children. A village headman or clan leader might spend Rs 100 or more. Many became deeply entangled in debt as a result.[86] In the case of the Mahadev Kolis, a large part of the expense was incurred due to the brideprice the bridegroom's father had to pay. In the 1880s this was commonly about Rs 25 with three maunds of grain in kind. In addition, the bridegroom's father had to pay for a feast, as well as fees to the village panch and officiating priest. In all, the poorest Kolis spent about Rs 40 to Rs 50 on marriages.[87] In Merwara, the Mers similarly paid a brideprice; in the 1890s a marriage often cost Rs 500 or more. The money was provided by the Baniya, who took the outturn of the land or cattle as security.[88] In the same year some peasants of Pune district told an official that a bride cost them more now than in the past and that they borrowed the sum from their sahukar, having to hand over a land-sale deed to get the money.[89]

In Rajasthan, peasants commonly spent large sums on feasts known as *mosar* to honour dead members of their families. These feasts were sometimes considered the single most important cause of long-term debt amongst Jat and Gujar peasants.[90] If a peasant family wanted to hold a mosar, they had first to seek permission from the caste panchayat. The normal procedure was for the panchayat to demand the name of their Baniya and then demand a written statement from the sahukar which stated that the cost of the feast would be covered. Once this had been secured, the panchayat then specified the form the feast should take, the food, the number of guests, and so on. The Baniya provided all the necessary foodstuffs and other necessities in kind, entering them as a debt. No cash was handed over. Relatives who wanted to help out with the expenses went to the Baniya and asked that some of the cost be transferred to their account. Again, no cash passed hands. The sahukar's book

[86] A. Mackintosh, 'An Account of the Tribe of Mhadeo Kolis', *Transactions of the Bombay Geographical Society,* vol. I, 1836–1838, p. 223.

[87] H.F. Silcock, 11 May 1888, BA, R.D. 1888, 345/1813.

[88] C.H. Pritchard and J.A. Devenish, *Reports on Famine Relief in Ajmere-Merwara during 1891–1892,* Calcutta, 1893, pp. 98 and 184.

[89] *Report of the Commission Appointed to Inquire into the Working of the Deccan Agriculturists Relief Act 1891–1892,* Appendix I, Calcutta, 1892, pp. XXI–XXII.

[90] Evidence of Fateh Mohamed, Inspector, Co-operative Societies, Beawar, December 1929, *Banking Enquiry Committee for the Centrally Administered Areas 1929–1930,* vol. II, *Evidence Taken in the Province of Ajmer-Merwara,* Calcutta, 1930, p. 246.

thus served as a record of donations towards the feast by different relatives of the deceased.[91]

Sahukars often encouraged the peasants to spend lavishly on such functions. From Surat district it was reported in 1929 that sahukars would even go to the villages and offer to finance the marriages of their clients. Peasants who might otherwise have hesitated to ask for a loan for this purpose thus found themselves deeper in debt.[92] Sahukars sometimes also actively discouraged attempts to limit marriage costs. When in the 1890s there was a movement by the Kunbi peasants of Kolaba district to reduce their marriage expenses, the sahukars, who in that area were largely Brahman landlords, went so far as to threaten to confiscate the land of debtors who gave their support to this initiative.[93]

Generally, however, the sahukar hardly needed to put much pressure on the peasants in this respect, for a good marriage, well celebrated, raised the perceived economic viability of a peasant family and thus its social standing in the community. The link between marriage expenditure and status was stated very explicitly in a record of a village of Kheda district in the 1820s. Peasant families were graded into three categories of credit-worthiness, *aval, doam, soam.* These related directly to the amount a family could afford for marriages. According to the record, an aval Patidar family had to spend between Rs 200 and Rs 400 in providing a dowry for a daughter. If there was a son in the family, they could expect Rs 50 to Rs 150 as dowry, but they would have to spend half this amount on marriage costs. The dowries which doam Patidar families had to provide for daughters if they wanted to marry into a 'better' family was similarly high reflecting their lower status, being between Rs 200 and Rs 250; such a sum would help to raise their social standing. Amounts for soam Patidar families are not mentioned. In the case of the poorer Koli peasants of the village, brideprice rather than dowry was the rule. The brideprice paid varied according to the status of the bride's family, being higher for a 'good' family. An aval Koli family could expect to spend between Rs 25 and Rs 50 for a bride, depending on the status of her family. Similarly, a doam Koli family had to spend between Rs 20 to Rs 50, and a

[91] Ibid., p. 236; interview with Komal Kothari, Jodhpur, March 1987.

[92] Evidence of C.M. Gandhi, Surat, 18 November 1929, *BPBEC*, vol. 3, p. 11.

[93] Assistant collector, Kolaba district, 24 April 1892, BA, J.D. 1893, 98/10.

soam Koli family between Rs 10 to Rs 20. In a few cases, some aval Kolis attempted to raise their status by marrying their daughters into high status families beyond the village, and in such cases a dowry of up to Rs 80 had to be paid to the bridegroom's family. In all cases, the more a family chose to spend, the more its prestige was raised. These sums were large by the standards of the day — in 1828 a rupee could purchase thirty-seven kilos of grain — and as a rule the money had to be borrowed.[94] When, a few years later, a suggestion was made that peasants be prevented from running up debts in this manner, the collector of Kheda stated that if such checks were imposed the peasants would obtain the money from sahukars in adjoining princely state areas — not under British jurisdiction — rather than incur the stigma of stinting on marriage celebrations.[95]

Because the abru — or honour — of a peasant family was connected so closely with the quality of their marriages, the peasants were prepared to risk being ruinously enmeshed in debt rather than compromise themselves in this respect. M.V. Kathavate, a retired judge of Ahmadnagar, thus described the feelings of a Kunbi peasant:

> ...his abru is at stake. What will the villagers say if a man of Ramji Sinde's fame and ancestry celebrates the marriage of his first daughter without a feast at least of *lafsi* sweets, and invites only twenty people for the funeral feast of his old mother? Ramji Sinde will put his signature to a Khata of Rs 50, even if he gets only Rs 40 worth of things and cash. And he will say in it that he took Rs 50 in cash, and Gulabchand, the moneylender, will enter in his account Rs 50 paid in cash.[96]

Similar feelings were revealed in a story recounted by some Vanjaras of Nasik district and retold in somewhat strained English by A.H.A. Simcox in 1932. The story, which was about the 'days of old', related to a caste leader, or Naik, of the Vanjaras called Govind. In those days the Vanjaras used to carry produce on the backs of bullocks for the merchants of the Deccan, taking amongst other

94 From the *kalambandhi* record for Mangalpura village, Nadiad taluka, compiled by officials in the service of the British in the 1820s. Quoted in Alice Clark, 'Central Gujarat in the Nineteenth Century: The Integration of an Agrarian System', unpublished Ph.D. thesis, University of Wisconsin, 1979, pp. 137–43.

95 Kirkland, collector of Kheda district, 8 October 1840, BA, R.D. 1844, 107/1664.

96 M.V. Kathavate, 22 July 1912, *Letters Addressed to the Dekkhan Agriculturist's Relief Act Commission on the Subject of Money-lender's Accounts*, printed report, 1914, in Gokhale Institute Library, Pune, p. 106.

things grain and oilseed down the ghats to the coastal ports and bringing sea-salt back up. Govind's daughter had reached marriageable age, and he went to his merchant-patron, Keshavji, to ask for money:

'O Sheth', said he, 'my daughter is marriageable.'
'That is a day of calamity, O Naik, which comes to all fathers.'
'True, O Sheth. So great is my misfortune that the Vanjaras will eat not less than two hundred rupees at my house.'
'It is good that thy money jars are so full. May they quickly be replenished.'
'Nay, I have not so much as an empty jar, O Sheth. Yet mine honour demands that I spend, therefore I am come to thee.'
'One hundred rupees is a vast sum to spend in a starving Vanjara's hut.'
'But I, O Sheth, am Naik, and command men and beasts, therefore I said two hundred. Have ever thy bags of salt been diminished, or thy sesamum seed been delivered but in full tale?'
'It is truly said, O Naik, and therefore the rupees shall be one hundred and fifty. Also the interest shall be as fitting. Also at the entering of the pass, when bags be many and oxen few, the bags of Keshavji shall not fail to be carried, seeing he is the protector of poor Vanjaras. But what security dost thou offer?'
'Mock me not, O Sheth. Well thou knowest that of land we have none, our oxen are worth but little, our houses are sticks and straw. Yet to our bonds we are faithful, is it not so?'
'Truly ye Vanjaras are honest folk. Yet for so great a sum there should be some pledge.'[97]

Govind Naik then offered his faithful and beloved dog Moti as security — a pledge which the Baniya accepted.

The story of Govind Naik and his Baniya patron illustrates how honour required a poor but respected Vanjara to spend far beyond his means when marrying his daughter. Although the Baniya adopted a generally respectful tone towards him, he made pointed remarks about Govind's poverty and his inability to repay a large loan. He did this not because he wanted to refuse the loan but because he wanted to make certain that in return the Vanjara would promise to ensure that his merchandise would be carried 'when bags be many and oxen few'. It was above all the future labour of the client and his fellow Vanjaras which the usurer wanted in return for a

[97] *Man*, 32:9, 1932, pp. 16–17, quoted in M.B. Emeneau, 'The Faithful Dog as Security for a Debt: A Companion to the Brahman and the Mongoose Story-Type', *Journal of the American Oriental Society*, 61, 1941, p. 12.

loan. The pledge, of Moti, was given for the sake of form rather than because the dog had any great intrinsic value.[98]

Colonial officials often condemned the peasants for their 'improvidence' in running up large debts by spending on such social functions.[99] They saw it as being an 'irrational' form of expenditure. In this they revealed a remarkably narrow and utilitarian bent of mind, for the 'rationality' of a good show, a large dowry or a lavish feast was clearly that it enhanced reputation, abru, credit-worthiness and thus power. Also, the gathering at a marriage or any other such function helped to consolidate ties of community.

Over and above this, and just as important, though less 'rational', was the satisfaction of meeting and honouring friends and relatives, of returning affections, of showing mutual respect, and enjoying a celebration. In the case of funerary and death rites, the peasants sought to honour the dead and set their souls to rest. To show any meanness in this respect was considered a dishonour not only for the deceased but for the family of the living.[100] Such celebrations, memorials and acts of worship were for the peasants self-evident necessities, signifying honour and self-respect, and marking their place within a human community. Those who begrudged such expenditure were seen to betray their very humanity.

[98] It turned out in the story that Moti proved more valuable than the sum advanced, for he subsequently prevented some thieves from robbing the Baniya's house. But this was not known at the time the loan was given.

[99] Malcolm Darling described 'ingrained improvidence' and 'extravagant expenditure upon marriage and other domestic ceremonies' as being among the chief causes of debt, and thus poverty, in rural India. *The Punjab Peasant in Prosperity and Debt*, Oxford, 1925, p. 233. See also p. 68.

[100] For a discussion of the importance which people steeped in material poverty have accorded to decent and proper funerary rites, see Eugene Genovese, *Roll, Jordon, Roll*, pp. 197 and 201–2.

Chapter Eight

Seasons of Dearth and Famine

Baniyas set great store by their 'charity' in times of dearth and famine. In the words of N.N. Vyas, writing about the Baniya mahajans of southern Rajasthan:

> The mahajan claimed that with all of his economic strength, he had always stood by the village community in the days of drought, famine and hardship and had proved useful to the members of the village in their social and ritual needs and commitments. Thus the mahajan proclaimed that he was the saviour of the people.[1]

To give credence to the claim, they could remind their clients of famous acts of Baniya charity in the past. In Gujarat, for example, there was a well-known legend about a thirteenth century Jain Baniya merchant called Jagdusha who, it was said, was forewarned by a sadhu that there would be a great famine in Gujarat, Saurashtra and Kutch lasting three years. He accordingly had his agents bring huge amounts of corn from distant countries, which he then hoarded. The famine came in 1255–1258, and after two years even the royal granary of King Vishaldev Vaghela was empty. When the king asked him for a loan of grain, Jagdusha refused, pointing out that a copper-plate inscription in his granaries declared that 'these grains of corns are collected only for the poor'. Jagdusha then began distributing the grain he had stored, and thus saved the country from starvation. The famine was subsequently known to the people as 'Jagdusha's famine'.[2]

This famine was perhaps appropriately named, seeing that Jag-

[1] N.N. Vyas, *Bondage and Exploitation in Tribal India,* Jaipur, 1980, p. 7.

[2] M.R. Majumdar, *Cultural History of Gujarat,* Bombay, 1965, pp. 54–5; N.A. Thoothi, *Vaishnavas of Gujarat,* p. 186; C.M. Doshi, 'Dasha Shrimali Jain Baniyas of Kathiawad', unpublished M.A. thesis, University of Bombay, 1933, p. 409.

dusha most probably caused the famine in the first place through his hoarding. It was not however in such terms that his achievement was commemorated. A Jain scholar called Sarvananadusuri composed a long poem in his praise in 1319 called *Jagduchari* which purported to show how Jagdusha had saved the people through his foresight and charity.[3] In Rajkot in Saurashtra, his admirers erected a tower on the banks of the Aji river so as to keep alive the memory of his deeds in the minds of the people. In this area, according to a nineteenth century source, his name continued to be 'remembered with honour by all classes'.[4] In this respect, Jagdusha represented the 'good Baniya', providing an ideal of charity to which all Baniyas were supposed to aspire. It was clearly in the interests of the peasants to try to hold the usurers to this aspect of Jagdusha's legacy, demanding that they likewise provide sustenance in times of famine. It was no doubt for such a reason that the peasants remembered him and other legendary Baniya philanthropists. The notion of Baniya charity was therefore not only a device invoked by usurers to placate the peasants when they were handing over the fruits of their labour, but also an assertion by the peasants that the Baniyas had an obligation towards them at such times.

In this chapter I shall examine the compulsions that determined the behaviour of usurers during periods of dearth and famine, look at the extent of Baniya 'charity', and also explore popular beliefs regarding the supernatural causes of rain failure and the supposed culpability of the Baniyas in bringing about dearth for their own benefit.

II

For the peasants, dearth and debt were two sides of the same coin. Through usury, village-level sahukars took such a large proportion of each peasant family's harvest each year that it became almost certain that the family would experience some degree of dearth before the next harvest. Being in a state of privation, peasants had

[3] Maganlal Dalpatram Khakkhar (ed.), *Shri Jagducharit*, Bombay, 1896, quoted in Makrand and Shirin Mehta, 'The Gujarat and the Arab Merchants, A.D. 942–1500: Some Observations Based on Contemporary Sources', *Al Watheekah*, 18, January 1991, pp. 204–5.

[4] *Gazetteer of the Bombay Presidency*, vol. VIII, *Kathiawad*, Bombay, 1884, pp. 190–1.

to keep up a show of obligation to their sahukars and accept more onerous terms for loans. The sahukars likewise had a vested interest in mediocre harvests, for bountiful ones might allow clients to retain enough grain to see them through the forthcoming year even after servicing their debts, thus weakening the control which the sahukar had over them. We have seen in chapter seven how sahukars might even go so far as to ration seed grain during the sowing season so as to prevent too bountiful a harvest.

It was in consequence a macabre fact that most village-level usurers were only too happy if a monsoon was poor. In the words of a British judge, writing about the Baniyas of Ahmadnagar district in 1846: 'They glory in the prospect of a bad season, as affording to them the opportunity of being able to acquire with greater celerity that which is the object and soul of their pursuit...'[5] In a poor year, grain was in short supply and prices were high. Because the peasants had normally pledged much of their crop in advance, they were obliged to hand over whatever meagre amount they had harvested and then take hand-outs from the sahukars which were debited at highly inflated rates in the books. The sahukars were then able to offload their stocks of grain — much of it old and of bad quality — in return appropriating the possessions of the peasants at very little cost.

The sahukars did not on the other hand want the situation to go out of their control, as could happen in a serious famine. It was not in their interests for clients to became so enfeebled by hunger as to be unable to carry on their agricultural operations, and be thus unable to service their debts. Still less did not want them to starve to death, or perhaps flee from the village never to return, for the longstanding debt would then be worth no more than the paper on which it was written. In this respect, the usurers were prepared at crucial junctures to provide for clients so as to secure future debt repayments. It was, for instance, reported that during a drought in Ajmer-Merwara in Rajasthan in 1848–1849 the Baniyas provided food for their clients at — so they claimed — considerable expense to themselves. The peasants did not as a result migrate out of the area in search of food.[6]

[5] Forgett, Principle Sadr Amin, Ahmadnagar, 1846, IOL, Board's Collection 1852, F4 2472, no. 46.

[6] C.G. Dixon, 22 October 1849, in C.G. Dixon, *Report on Ajmeer and Mairwara, Illustrating*

The welfare provided by the village-level sahukars had, however, its limit. The stocks of grain and capital held by a sahukar family business were generally adequate to provide some sort of basic subsistence to clients during one or two years of harvest failure. But if there was a succession of bad years beyond this, or perhaps a year of unusually severe harvest failure or some other calamity, the business might itself be in trouble. Most small sahukars financed their operations by borrowing from indigenous urban bankers, their chief security being the debts they had built up with peasant clients, which allowed them a lien on the crops. A secondary security was the store of grain held in their house. When peasants were unable to produce any crop, or when the sahukars' stores of grain began to give out, the urban bankers became unwilling to advance them the capital they required to keep their businesses going. In the words of one district officer, the sahukars

> have in turn to go for their capital to the big capitalists, and in a bad year they cannot get much advance from them — for not having received any crop from the agriculturists they cannot pay the annual instalment due to these capitalists. So the withdrawal of credit from the agriculturists is often due more to inability than to want of sympathy.[7]

It was because of this that a succession of poor seasons could lead to a gradual drying up of capital for the smaller sahukars, leading to a year of actual famine. In a year of dramatic and almost complete failure of rain or in the event of some major crisis, the urban bankers normally refused to give advances to the smaller Baniyas immediately. Thus, even if sahukars wanted to help their clients at such a time, they were often in no position to provide adequate aid due to the drying up of their own credit from bankers who had no personal ties with the peasants.

In such an event, the large majority of usurers were moved more by a sense of self-protection than by obligation. They might calculate very carefully exactly which of their clients they could afford to support. A British official who served in Ahmadanagar district during the famine of 1876–1877 later said: 'It is a mistake to suppose that in the last famine the rayats were generally supported

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the Settlement of the Land Revenue and the Revenue Administration of those Districts to 1853, Agra, 1853, pp. 19–20.

[7] J. Ghosal, collector of Panchmahals district, 5 September 1912, BA, R.D. 1913, 511, part IV.

by their savkars. In one of my talukas I took a census in December 1876 and found that one-third of the population had gone. Whole villages were deserted.' On the whole, he went on to say, only the better-off and more credit-worthy peasants had received help, while the poorer peasants had been left largely to sift for themselves.[8] These poorer peasants flocked to the towns to beg from the wealthy urban sahukars. The fact that time and time again it is recorded that peasants were forced to leave their villages in this manner reveals the absence of any wide scale village-based maintenance of peasants by sahukars during severe famines from medieval times to the colonial period.

III

Even though a serious famine provided real risks for the sahukars who dealt directly with the peasants, there were still numerous ways in which they could take advantage of the situation. It was a well-known fact that many sahukars made their fortunes at such times. In Gujarat, for example, there was a famine in Sanvat 1869 (1812–1813 AD) in which those who profiteered came to be known as *aganotriyo* or 'sixty-niners'. In time this term came to signify in popular imagination any person guilty of enriching himself from the suffering of the poor.[9]

As soon as it was clear that there was going to be a severe harvest failure, the sahukars would demand that the peasants hand over any valuables they had in their possession, such as jewellery or ornaments, in return for small amounts of grain. For example, during the famine of 1899–1900 the poor peasants of Surat district handed over their brass and pewter arm and leg ornaments to their sahukars in return for hand-outs of grain. One usurer was subsequently reported to have sold off several tons of such ornaments.[10]

Or, the sahukars could take advantage of the peasants' need to rewrite their debt agreements. During the famine of 1899–1900 in Rajasthan, for example, the Baniyas helped their clients on condition

[8] A.F. Woodburn, Report on Working of Deccan Agriculturists' Relief Act, 27 April 1889, BA, J.D. 1889, 81.

[9] F.S.P. Lely, 16 January 1901, BA, Famine Department, 1901, 38/169 II.

[10] *Report on the Famine in the Bombay Presidency 1899–1902*, vol. I, p. 90.

that they first accept new bonds in which their old debts would be augmented by the new.[11] During the same famine in Gujarat, some peasants of Kheda district complained to the government that

> ...moneylenders instead of giving any assistance to the cultivators in these days of scarcity, demand the repayment of their loans and compel the cultivators to assign their lands as security for the loans, the value of such security being far in excess of the money due to them.[12]

In the years after the famine, the sahukars gradually foreclosed on these debts, turning many peasants into their tenants. Figures for land sales and mortgages in Baroda state showed a 91 per cent rise in recorded transactions between the decade before the famine of 1899–1900 and the decade after it. A large number of these transfers took place in 1902–1903, soon after the famine had ended. Whereas during the decade before the famine there had been on an average 13,057 such transfers each year, in that particular year there were no less than 65,060.[13]

In some cases these transfers of land were made in a very underhand way. In the Baroda state areas of south Gujarat, for example, many poor peasants were unable, after the famine, to pay the arrears of land tax that had accumulated during that time. Rather than waive these demands, as might have been expected, as the peasants were destitute, the local tax officials made arrangements with local sahukars for them to pay for their clients, after which the clients' lands were transferred in the records to the sahukars' names.[14]

Sahukars also took advantage of high grain prices in a year of famine. Rather than provide for their clients, whose purchasing power at the time would be very poor, they often preferred to export whatever grain they had left in their stores to places where people still had some purchasing power, such as the cities or neighbouring regions less severely affected by the famine. In the pre-colonial period, such profiteering had been limited by the physical difficulty of moving large stocks of grain with any speed, and also by bans

[11] Pandit Sukhdeo Prasad, *The Final Report of the Famine Operations in Marwar during 1899 and 1900*, Jodhpur, 1900, p. 186.

[12] Anonymous petition from several villages of Kheda district, 1 October 1899, BA, Famine Department, 1899, 47/59.

[13] Manilal Nanavati, *Report on Agricultural Indebtedness in the Baroda State*, Baroda, 1913, Appendix VII, pp. 20–1.

[14] C.N. Seddon, *Vyara Taluka Settlement Report 1906–1907*, Baroda, 1907, p. 9.

on exports imposed by indigenous rulers. The British refused to impose any such bans, and then compounded the problem by developing a far more efficient system of transport. The coming of the railways in the second half of the nineteenth century allowed grain to be exported from areas of low purchasing power so quickly and on such a scale as to not only aggravate existing shortages, but even create famines where they might not otherwise have occurred.

A railway line had, for example, been built through the Panchmahals district during the 1890s. After the monsoon failed in 1899 the sahukars took advantage of this new facility to export large quantities of grain from the district at a time when the peasants were facing starvation. According to an official who observed this, the sahukars were able to build a large number of new houses for themselves from the profits of this enterprise.[15]

During such famines, many peasants who might have expected their sahukar to have saved them from starvation discovered that once they had handed over their valuables and land deeds they were left to fend for themselves. For example, in Surat district in 1899–1900, the sahukars were reported to have refused to provide any sustenance to their clients. The deputy collector reported that:

> Many a Kaliparaj [adivasi peasant] told me with tears in their eyes that their 'shahukars' who used to take away the whole of their agricultural produce in favourable years and supply them with 'khavti' [foodgrains] afterwards by instalments refused to render them any assistance and would not let them stand even in front of their houses.[16]

In this situation, sahukars whose compassion towards their clients overruled their harder sense of business might well be ruined. Tukaram, whose business was already suffering from his desire to be honest, was thus made completely destitute by the famine of 1629.[17] Several small sahukars were likewise ruined by the Maharashtrian famine of 1876–1877: 'In time of scarcity they invested all their capital they had in keeping their clients and their livestock alive hoping to reimburse themselves from the plenty of future years.'[18] Generally, it was the more ruthless sahukars who

[15] District Deputy Collector's Report, Panchmahals district 1899–1900, BA, R.D. 1901, 52/137 pt. III.

[16] Deputy Collector's Report, Surat district 1899–1900, BA, R.D. 1901, 55/137.

[17] Dilip Chitre, *Says Tuka,* pp. X–XI.

[18] Subordinate judge, Karnala, Sholapur district, 15 August 1883, BA, J.D. 1885, 65/1269.

came out of such periods the stronger. Over time this helped to ensure that sahukars tended as a class to be hard and pitiless rather than charitable and compassionate.

IV

Despite all this, Baniya charity is known to have played an important role in alleviating suffering during famines from medieval to modern times. A document of 1593–1594 records that Karamchandra of Bikaner opened centres for the distribution of food to the poor during times of dearth.[19] In Gujarat during the same period, the two Jain Baniya brothers, Rajio and Vajio Parekh of Cambay, distributed four thousand maunds of grain and spent nearly two million rupees to help the poor in a single year. In the great famine of 1631–1632, Shantidas of Ahmedabad is said to have saved many from death through his charity.[20] In colonial times the sahukars of Sholapur fed thousands of people for several weeks during the drought of 1832–1833.[21] In 1868–1869 there was a famine in Bikaner state:

> Early in October 1868 the starving had begun to flock into the towns, and the Seths [Baniya sahukars] in Surajgarh and the neighbourhood established small relief funds, which were soon exhausted. But a certain amount of food was daily distributed by many of the well-to-do merchants.[22]

In the famine of 1891–1892 in Ajmer-Merwara, the Baniyas of Nayanagar organized the distribution of cooked food to the hungry. This was paid for from a charitable fund, which had been built up by taxing each transaction in the bazaar at the rate of one pice per rupee. Some wealthy merchants distributed charity on their own initiative.[23] During the famine of 1899–1900 in Gujarat, the Baniyas of Ahmedabad city were generous with relief. Two cheap grain

[19] G.N. Sharma, *Social Life in Medieval Rajasthan,* p. 345.

[20] Ibid., pp. 375–6 and 409.

[21] Sumit Guha, *The Agrarian Economy of the Bombay Deccan 1818–1941,* New Delhi, 1985, pp. 185–6.

[22] P.W. Powlett, *Gazetteer of the Bikaner State,* Bikaner, 1932, pp. 107–8.

[23] C.H. Pritchard and J.A. Devenish, *Reports on Famine Relief in Ajmere-Merwara during 1891–1892,* Calcutta, 1893, pp. 87–8. The report notes that on the other hand village-level sahukars provided no charity at all.

shops were established and large numbers of people were provided with cooked food.[24]

These examples all relate to city-dwelling Baniyas, who appear to have fed destitute people after they had been forced through hunger to leave their villages and flock to the city hoping for some sustenance. The atmosphere in the streets was full of suffering and expectation. Charity provided the means to defuse some of the tension. It tended to be given in a fairly random way, designed to achieve an effect on the popular imagination rather than to alleviate the problem in a systematic way. There is no evidence, furthermore, that these city-based sahukars raised their gaze beyond their own doorsteps, searching the countryside to distribute their charity to peasants in the villages. There, such maintenance was left to the sahukars who dealt directly with the peasants, and it was, as we have seen, often wholly inadequate.

V

Although the usurers were in many respects culpable for shortages, they were always quick to deny their responsibility. Dearth, they claimed, was a natural phenomenon ordained by God; shortages were genuine; the small handouts they might provide stretched their resources to the full; they provided only out of the generosity of their hearts, to help old clients; they might even be ruined financially as a result. The peasants were hardly taken in; they held that it was only just that usurers provide for them at such times. They saw this as a matter of obligation rather than 'charity'. They were not, however, willing to place all the blame on the sahukars, for, in common with everyone else in society, they believed that nature was controlled by supernatural powers, and that dearth and famine were in part willed by such forces. This served to deflect some of their anger away from the usurers.

Such beliefs did not, however, lead to 'passivity' and 'fatalism' on the part of the peasants in times of dearth and famine, as Paul Greenhough has argued in his studies of the Bengal famine of 1943–1944.[25] While on the one hand the peasants might hold the usurers

[24] *The Times of India*, 7 September 1899.

[25] Paul Greenhough, 'Comments from a South Asian Perspective: Food, Famine, and the

to their obligations through direct physical coercion — something we shall look at in chapter twelve — they could also take action to try to influence the supernatural. This has been the case in most peasant societies known to history.

In medieval and early modern Europe, for example, it was believed that harvest failure was caused in most cases by the will of God, being a divine punishment for sin. Petitional and penitential processions were commonly taken out, led by members of the clergy, which involved the carrying of miraculous images and holy relics, while people scourged themselves with whips, carried heavy crosses or wore crowns of thorns. According to David Gentilcore, writing about southern Italy in early modern times: 'Drought was a common threat and procession a common response.'[26] Harvests could also be blighted by evil spirits conjured up by sorcerers or witches. At such times, priests and professional exorcists were called on to intercede with God to chase away the demons.[27]

In such an event, if the priest or exorcist failed to achieve the desired result he might be blamed or even punished by the peasants. In Tsarist Russia, for example, orthodox priests were believed to be able to provide ritual protection for the crops, and when the harvest failed they were on occasions beaten by the peasants.[28] Similarly, in pre-colonial central Africa, kings were valued for their ability

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Chinese State', *Journal of Asian Studies,* 41:4, August 1982, pp. 793–4; 'Indulgence and Abundance as Asian Peasant Values: a Bengali Case in Point', *Journal of Asian Studies,* 42:4, August 1983; and *Prosperity and Misery in Modern Bengal: The Famine of 1943–1944,* New York, 1982. For critiques of Greenhough's argument, see E.P. Thompson, 'The Moral Economy Reviewed', in his *Customs in Common,* London, 1991, pp. 344–7; and Roger Wells, 'E.P. Thompson, Customs in Common and Moral Economy', *The Journal of Peasant Studies,* 21:2, January 1994, pp. 286–8.

[26] David Gentilcore, *From Bishop to Witch: The Symbol of the Sacred in Early Modern Terra d'Otranto,* Manchester, 1992, pp. 116–17; for similar beliefs and rituals in Spain, see William Christian, *Local Religion in Sixteenth-Century Spain,* Princeton, 1981, pp. 46–7, 63–4, 119–20, 128–9; for nineteenth century Brazil, see David Arnold, *Famine,* Oxford, 1988, pp. 77–8.

[27] Martin of Arles mentions such beliefs in sixteenth century Spain in his *Treatise on Superstitions.* See pp. 48 and 64–9 of Euan Cameron's translation from the Latin, which he has kindly let me consult. He also showed me a reproduction of the title page of Ulrich Molitor, *De Ianijs et Phitonicis Mulieribus,* Cologne, 1489, which has an illustration of witches brewing up a hailstorm.

[28] James Scott, *Weapons of the Weak: Everyday Forms of Peasant Resistance,* New Haven, 1985, p. 340, ft. 79.

to intercede with the spirits to bring about rain. A drought was a sign that they had failed in their duties, leading to a loss of authority.[29]

The peasants of western India likewise refused to accept that they were helpless victims of supernatural design. They were always careful to perform ceremonies at the time of ploughing the fields to placate the gods and spirits so as to ensure good rain.[30] When the rains failed at the expected time, a number of ceremonies would be performed to persuade these supernatural powers to release the rain. A.K. Forbes has described a number of ways in which peasants in nineteenth century Gujarat tried to induce rain, such as by praying, asking local exorcists to intervene with the spirits, or even by quitting their village in a group.[31] In Rajasthan, it was common for a party of young girls and women to go in a procession which was led by a pre-pubescent girl carrying on her head an earthen pot filled with water in which there was a frog. They went around the village singing songs to Indra, the god of rain. The pot was filled constantly with water so that it overflowed and drenched the girl carrying it. The pot and the frog were meant to symbolize the drenching rain and the appearance of frogs in a flooded field.[32]

It was also believed that certain humans had the power to influence the weather through sorcery. This power could be used in an underhand way to cause misfortune to rivals or enhance the earthly power of the sorcerer. It was believed, for example, that when the rain clouds came they could be made to pass overhead without shedding any water using various spells and rituals. One such technique was to bury a pot full of water, which, it was supposed, trapped the rain.[33] There is a popular story about the medieval sufi saint, Khwaja Muinuddin Chishti, having done this after he had been insulted by some Brahman priests of Ajmer. Using his power over the supernatural, he drew up all the water from the wells and ponds of Ajmer and put it in a small earthen pot. After that there

[29] R. Packard, *Chiefship and Cosmology, Bloomington, 1981,* quoted in Jan Vansina, *Oral Tradition as History,* London, 1988, p. 198.

[30] For Rajasthan, see Bani Gupta, 'Magical Beliefs and Superstitions in Rajasthan', *Journal of the Rajasthan Institute of Historical Research,* 10:2, April–June 1973, p. 22.

[31] A.K. Forbes, *Ras Mala: or Hindoo Annals of the Province of Goozerat in Western India,* London, 1878, pp. 605–6.

[32] Beni Gupta, 'Magical Beliefs and Superstitions in Rajasthan', pp. 22–3.

[33] *Panjab Notes and Queries,* 2:1, October 1884, p. 6.

was a terrible drought. The king of Ajmer, Raja Pithaura, called the great ascetic Jaypal Jogi to fight the Khwaja's power, but to no avail. Eventually, Jaypal Jogi fell at the feet of the saint and implored forgiveness. The Khwaja was appeased. He told the Jogi to fetch the little earthen pot in which he had contained all the water. Jaypal exerted all his strength and magical power, but could not lift the pot. Likewise, none of Raja Pithaura's warriors proved up to the task. The Khwaja then sent his servant, who brought it at once. He opened the mouth of the pot, and immediately all the ponds and wells were filled.[34]

During times of dearth or impending famine, when the Baniyas were beginning to raise their prices and become sticky over providing advances, the finger of blame was often pointed in their direction. There was a popular belief that Baniyas possessed supernatural powers, which included the ability to stop rain by chanting spells.[35] In the early nineteenth century, the Jain Baniyas were believed, according to James Tod, to be *vidyavan*, or people with powerful forms of knowledge. Tod met the head of the temple at Dwarka, who told him that on one occasion the Jains of Gujarat made the moon appear during the dark half of the month, using their supernatural powers. 'Wherever', he said, 'this ancient and numerous sect exists, magical skill is always asserted.'[36]

The Baniyas, in common with everyone else in their society, firmly believed that human fate was influenced by the actions of good and bad spirits. They believed that this was the cause of illness, the remedy for which was exorcism by people skilled in dealing with the supernatural. Thus, Jain holy men performed ceremonies to confine disease-causing spirits in bottles, which were then buried underground. During smallpox epidemics, Jain Baniyas often worshipped Sitala Mata, the smallpox goddess. They believed that an evil eye could cause blight and misfortune, and they used various spells to ensure good fortune in business or success in

[34] *North Indian Notes and Queries*, 4:9, December 1894, p. 146.

[35] N.K. Singhi, 'Jains in a Rajasthan Town', in Carrithers and Humphries, *Assembly of Listeners*, p. 157. Malamoud mentions one ancient Sanskrit text which mentions a group of usurers (*kusidin*) being invited to perform magic, which suggests that there was a longstanding belief in the connection between usury and supernatural power. C. Malamoud, 'The Theology of Debt in Brahmanism', in Malamoud (ed.), *Debts and Debtors*, p. 25, ft. 22.

[36] James Tod, *Annals and Antiquities of Rajasthan*, vol. II, pp. 602–3, 621–2 and 813.

gambling. This was all despite the fact that the Jain religion was in principle opposed to such beliefs and the use of spells.[37]

Baniyas were not infrequently tempted to put their literacy to supernatural use by dabbling with magic diagrams (known as *yantras*) or books of spells (*yantra-mantra*). It was common knowledge in mid-nineteenth century Gujarat that many Baniyas had a weakness in this direction, often becoming so involved that their business suffered.[38] In using such knowledge against their clients they were extending their control over the written word, seen already in their manipulation of account books, into one more domain of power, that of the supernatural.[39]

There were a number of legends about Baniyas who behaved in such a manner. In one, a Jain merchant of Gujarat who had built up a large stock of grain wished to offload it at high prices. He asked his guru to write a spell on a piece of paper which he tied to the horn of a black deer. The effect of this spell was to allow rain only in those places in which the deer was at the time. All other places experienced a drought. This went on for seven years. Eventually a woodcutter noted that wherever the black deer went the earth became green with grass. He went to the raja and informed him about this. The raja caught the deer and took the paper from its horns and threw it in a well. After this, it rained heavily.[40]

The seventeenth century chronicler, Muhmot Nainsi, likewise related how in Kutch the Baniyas' business had suffered because of four successive years of good rain and bumper crops. They,

[37] R.E. Enthoven, *Folk Lore Notes*, vol. I, *Gujarat*, Bombay, 1914, p. 88; Vilas Sangavi, *Jaina Community*, Bombay, 1980, pp. 239–43; Beni Gupta, 'A Historical Study of Magical Beliefs and Superstitions in Rajasthan during the Medieval Period', unpublished D. Litt. thesis, University of Rajasthan, Jaipur 1975, pp. 51, 87, 93 and 291.

[38] Dalpatram Daya, *Bhut Nibandh*, translated by A.K. Forbes, Bombay, 1849, reprint, New Delhi, 1990, p. 87.

[39] A similar connection between literacy, sorcery and power was found in medieval Europe, where all sorts of 'clerics' — that is literate people of a middling social status — were known commonly to dabble in necromancy so as to enhance their power over others. See Richard Kieckhefer, *Magic in the Middle Ages*, Cambridge, 1990, pp. 153–5.

[40] Beni Gupta, 'Magical Beliefs in Rajasthan', p. 111. The story has strong similarities with one from Jaipur, collected in 1899, but without the Baniya element. In this, the Brahmans of Merta tied up the rain to the horns of a musk deer, causing a seven-year long drought. When the king was eventually informed, he hunted and killed the deer, releasing the rain. G.A. Grierson, *Linguistic Survey of India*, IX, II, reprint, Delhi, 1968, pp. 176–7.

therefore, approached a person skilled in powers of black magic, who agreed to lock up the rain and cause a famine in the land.[41]

There were a number of techniques the Baniyas were supposed to use to stop the rain. In Rajasthan, according to Beni Gupta, a Baniya engaged a thaumaturgist skilled in black arts to dig a long and deep pit. Seven earthen pots were then filled with water and various spells were cast, after which the pots were closed with lids and red cloth pieces were tied around the brims with untwisted cotton threads. Charms were painted in black on the cloth pieces. The pots were then placed in the pit side by side. One pot was supposed to stand for the pre-monsoon showers, four for the four months of the monsoon, and two more for the months in which winter rain might fall. The aim was to prevent rainfall during the entire year. The pots were then buried in the earth. The place was visited by nobody except the thaumaturgist. On each day during the months in which rain was expected he pronounced his spells on the buried pots, and particularly on the pot for that specific month.[42] In an interview in southern Rajasthan, I was told that the Baniyas could stop rain by pouring hot water onto a small image they kept for the purpose in the Jain temple.[43]

J.C. Oman has recounted some other means used for such ends by Baniyas, in this case in the Punjab. They sometimes made chapattis which they then mistreated in such a way as to offend the gods, the logic being that the grain from which the chapattis was made came from the bounty of the gods who provided the rain. It was believed that the angered gods would subsequently withhold the rain. He continued:

> At another time I learned that a baniya had recourse to a still more effectual method of keeping off the rain. He had a *charkha*, or spinning-wheel made out of the bones of dead men. Such an article could only be made very secretly and for a large sum of money, but its action was most potent. Whenever the clouds were gathering the baniya set his virgin daughter to work the charkha the *reverse way*, and by that means unwound or unwove the clouds, as it were, thus driving away the rain...[44]

41 K.R. Qanungo, *Studies in Rajput History*, Delhi, 1960, p. 58.

42 Beni Gupta, 'Magical Beliefs in Rajasthan', pp. 322–3.

43 Interview with Bhanabhai Meghaji Kharali, Adivali, Kherwada tehsil, Udaipur district, February 1987.

44 J.C. Oman, *Cults, Customs and Superstitions of India*, London, 1908, pp. 309–10.

One variation of the first method was for the Baniyas to expose chapattis in the fields to show the gods that there was no scarcity of food, so that they need not trouble themselves to send rain.[45] In Maharashtra, this effect was achieved by loading a leaf plate with food. Alternatively, a live coal was placed on the open ground on a tile, which was then asked to 'swallow the rain'.[46]

Again in the Punjab, Baniyas sometimes filled lamps with liquid ghee, which they lit when rain clouds gathered overhead. After some time they blew out the light, and this was said to drive away the clouds. It was said that this was done with great success in Ambala in August 1883. The use of ghee rather than oil in the lamps was probably intended to show to the deity that the people were still well off and did not need rain.[47] In some cases, a Baniya gave an unmarried girl some oil, which she poured on the ground while saying:

> If I pour not the oil, mine the sin:
> If thou disperse not the clouds, thine the sin.

Or, alternatively, he might put some rainwater in a new earthen pitcher and bury it in the ground at a spot where a roof spout discharged. This, it was said, would at once cause the rain to stop.[48]

The popular belief that Baniya usurers and grain merchants acted in such ways was extremely widespread, being found from the Punjab, to Rajasthan, to Gujarat and Maharashtra. It was, for example, reported from the latter region in 1846 that the Baniyas were commonly believed to employ Jain mendicants to prevent rain.[49] We have no means of knowing the extent to which the Baniyas really practised such black arts. Even if only a few did, their actions would have coloured popular belief. However, even when they did not actually dabble in sorcery, it could serve their interests to give the impression that they had the necessary skills. In the Bhil regions of Rajasthan it was common before the start of the rains for the Bhils to go to the house of their sahukar and ask him to permit

[45] *Panjab Notes and Queries*, 1:10, July 1884, p. 109.

[46] Ibid., 1:11, August 1884, p. 126.

[47] Ibid., 1:6, March 1884, p. 65, and 1:10, July 1884, p. 109.

[48] Ibid., 3:31, April 1886, p. 155.

[49] Forgett, Principle Sadr Amin at Ahmadnagar, 1846, IOL, Board's Collection 1852, F4 2472, no. 46.

abundant rain. The usurer would come out and make fulsome promises to do so, and distribute raw sugar as a mark of his goodwill.[50] By acting in this manner he stressed his munificence as a patron, but underlying the action was the threat that if the Bhils did not behave as dutiful clients he might punish them by stopping the rain.

If a usurer was suspected of practising such sorcery, the peasants might take action to force him to rescind his spells. According to Beni Gupta, it was common during droughts for peasants in Rajasthan to force their way into the houses of sahukars and search out hidden pots or other charms which the Baniyas had placed there. If found they were destroyed and the Baniyas frequently given a thrashing.[51] She does not cite any regions or particular examples, so it is impossible to know how widespread such actions were, or when they occurred in history. We do not therefore have any idea of how such beliefs and actions changed from the pre-colonial to the colonial periods, as well as during the colonial period itself. Clearly, however, peasants believed that it was in their power to counter the Baniyas' spells.

This is also seen in a ballad of the Bhils of Masuda, near Beawar in Rajasthan, which tells of a time of terrible famine. The people requested the goddess they worshipped to tell them the cause of the failure of the rain. She agreed to help them and led them to the house of their Baniya, where they found huge stocks of grain. They seized the grain and redistributed it. As soon as they did this his spells were broken and there was a cloudburst, followed by the heaviest rainfall in a whole century. The goddess grabbed the Baniya and took him to a river. She held him by his topknot of hair and ducked him in and out until he begged to be killed. She told him that she would agree to this if he sacrificed a buffalo. He said that as he was a Jain who practised non-violence he could not do this. She said that she would respect his religion and that he could sacrifice a grass buffalo instead. So he made a buffalo of grass and cut its throat with a knife. Huge amounts of blood flowed out, making all the floodwater red. The goddess then cut off the head of the Baniya.[52]

[50] Interview with Komal Kothari, Jodhpur, July 1987.

[51] Beni Gupta, 'Magical Beliefs in Rajasthan', p. 323.

[52] Balled recorded on tape by Komal Kothari, and kept at his tape archives in Borunda, Bilada tehsil, Jodhpur district.

The imagery here is powerful. The link between Baniyas and blood is made in the Marwari proverb: 'Oh Baniya! Nobody knows your doings. Although you do not drink water without straining and sifting it, you sip blood without reserve.'[53] In this case, the Baniya has killed large numbers of people by using sorcery to prevent the rain from falling. Though professing non-violence as a Jain, his hypocrisy is exposed when forced to sacrifice a representation of a buffalo. The blood of his victims flows out in torrents, and he dies polluted and thus damned.

To conclude, the peasants, unlike modern rationalists, did not understand fluctuations of the weather in terms of certain scientific principles of nature which operate beyond human will, and which are largely beyond the ability of humans to alter. They believed that people had the power to determine the weather to make it operate in a very precise way to further their own interests. Since in times of dearth and famine they were the losers and the sahukars the winners, it was logical, given the structure of this belief, for them to suspect that the sahukars were manipulating the weather for their own benefit. Action could then be taken to remedy the wrong, force being used if necessary to make the sahukars rescind their spells. Baniyas were a people who prided themselves on their social respectability, and such public humiliation was not borne lightly. Smarting from the insult, they were likely to be more careful during the ensuing weeks or months not to invite further wrath by attempting to profiteer in too obvious a way. Therefore, however 'irrational' we may deem such beliefs to have been, they did not prevent peasants from taking effective action to stop the profiteering of usurers at such times.

[53] Jains, who consider it sinful to kill any living being, are supposed to strain water before drinking it, lest they swallow and thus kill any insects or microbes. Proverb in *Report on the Census of Marwar and Mallani,* vol. II, *The Castes of Marwar,* Jodhpur, 1894, p. 130.

Chapter Nine

The Time of Account

In Jhaverchand Meghani's short story, 'Kanji Shethno Kandan', the Kathiawari Baniya, Kanji Sheth, appears at the house of a client family '...with a silver belt around his waist and cloth over his shoulder, with his account book of a gleaming red colour, like the blood of the peasants, pressed under his arm'. He has come to collect a debt-instalment, the entries in his book providing the 'proof' that the instalment is due at this time. As soon as Parbat Patel has gone off to his fields, the usurer approaches the peasant's old widowed mother:

'Well, old woman! What are you going to do about paying your fourth instalment?'
'Oh Kanabhai! As far as I remember the fourth instalment has been paid off.'
'Old woman, is your memory right? Or is the merchant's book right?
'The merchant's book is right!' the old woman said fearfully: 'It breaks my heart to say so! But I am not so sure. See this, Kanabhai: you know that one instalment was paid at the time of the smallpox epidemic...' Saying this the old woman began counting off the instalments on the joints of her fingers.
'Ha-ha-ha!' Kanji Sheth laughed. 'Old woman! Have you completed sixty years?'

Ignoring his sarcastic gibes about the quality of her memory, the widow tries to recall when they paid the fourth instalment. The Baniya opens his account book and pronounces that it shows without doubt that only three instalments have been paid. When Parbat Patel returns from the fields the usurer takes away one of his bullocks in payment of the debt.[1]

[1] In Jhaverchand Meghani, *Meghanini Kishorkathao*, Bhavnagar, 1985, pp. 3–12. I am grateful

Meghani's story brings out most forcefully the power of the account book over and against the memory of the illiterate peasant. Once again, the imagery is of the blood of the peasants being sucked by the Baniya, in this case through the agency of the 'gleaming red' account book, the Baniya's *bahi*.

II

It is said that during the reign of Akbar, Todar Mal incurred the enmity of many merchants and sahukars by forcing them to use a standard form of accounting, and that this system continued into the nineteenth century.[2] The system involved, it appears, the use of a regular form of account book. This consisted of pieces of paper about 750 mm to 1000mm long and 200 mm to 300 mm broad, covered in red cloth, tied at one end with thread, and folded over into three parts, making a flattened bundle which was of roughly foolscap size. Inside, entries had to be made in two columns, the left for payments received and the right for payments given, with a balance being struck regularly. Brijkishore Bhargava has described a set of bahis belonging to a Marwari sheth of the late seventeenth century which he had in his possession. There was a *rokar bahi*, or day book, in which dealings were entered in the order in which they occurred. A balance was struck at the end of business each day. Full details were given about each transaction — in this respect it was much more explicit than similar English cash books. Secondly, there was a *khata bahi*, a ledger which contained the account of each client, entered in similar double columns. These were generally balanced on Diwali day, being then carried forward into the next year. Thirdly, there was a *hundi-nondh bahi*, which contained details of the sheth's hundi transactions.[3]

These books were of a big sheth; a smaller Baniya would not have kept a bahi for hundis. Arthur Steele has described the three bahis kept by a sahukar of Maharashtra in the 1820s. There was a *kaccha khurd*, or rough day-book, and a *pakka khurd*, or cash

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to Parita Mukta for bringing my attention to this story, and helping me with the translation from the Kathiawari.

[2] C.R. Bayly, *Rulers, Townsmen, Bazaars,* p. 391.

[3] B. Bhargava, *Indigenous Banking in Ancient and Medieval India*, Bombay, 1934, pp. 166–81.

book into which the details of transactions were copied in a more systematic way. Both these books listed transactions in their chronological order. Thirdly, there was a *khatavani*, which was ordered according to the names of client families, showing the account of each.[4]

There appears to have been a relaxing of accounting practices during the colonial period. Writing in 1889, A.F. Woodburn stated that only the bigger sahukars of Maharashtra kept regular accounts of the sort described by Steele. Smaller sahukars as a rule kept only a rough note-book, with almost all their lending business being recorded on bonds. They often took several bonds, rather than one, in a transaction.[5] It is likely that this practice had developed since the 1820s, caused in part by the British making no attempt to maintain the earlier accounting regulations, and in part by the fact that debt-bonds were considered by the civil courts as a satisfactory proof of debt. A debt was therefore recorded in two forms, in the bahi and on the bond. As one official reported in 1883, this gave the sahukars plenty of opportunity to cook their books:

> The Bania has an inveterate habit of having two or more debts or accounts relating to the same debtor. Indeed if he has only a single claim against a customer, he will hasten to break it up, securing part of it by bond, and leaving the balance as a claim on account. This gives an opportunity for numerous fraudulent tricks to swallow away any payments made by a debtor; and generally entails much trouble to the court in fully investigating it.[6]

These confusions continued into the twentieth century. In 1912 it was reported from Gujarat that most sahukars kept no day-book, only the book showing individual accounts, known in some parts as the *thamkhata*, in others the *samdaskat*. These accounts were hardly ever balanced, dragging on for years and years until the sahukar felt the need to put them in order — probably to put pressure on a peasant.[7] From Bhavnagar, it was reported in 1931 that very

4 Arthur Steele, *The Law and Custom of Hindoo Castes within the Dekhun Provinces,* London, 1868, p. 273.

5 A.F. Woodburn, 27 April 1889, BA, J.D. 1889, 81.

6 Munsif of Dahod, Panchmahals district, 26 January 1883, BA, J.D. 1885, 43.

7 J. Ghosal, collector of Panchmahals district, 8 August 1912; L.J. Sedgewick, Assistant Collector, Surat district, 22 July 1912; Naranbhai Desai, District Deputy Collector, Surat district, 13 Jul 1912, *Letters Addressed to the Dekkhan Agriculturist's Relief Act Commission on the Subject of Moneylender's Accounts,* printed report in Gokhale Institute Library, Pune, no. publication details, 1914, pp. 70 and 99.

few sahukars kept a day-book, or *rojmel*. Most transactions were recorded in the *bethakhata*, the book which contained separate accounts for each debtor. It was not possible to cross-check the *bethakhata* with any other record and it was difficult to make out from them exactly how much credit had been advanced by the sahukar.[8] From Ajmer-Merwara, it was reported in 1947 that well-established sahukars used a combination of bahis, bonds and mortgage deeds to record the debts due to them, whereas: 'Small moneylenders have nothing more than a scrap of note-book in which they jot down a few details, or a loose bundle of bonds and decrees, on the back of which entries are made of the accounts paid by the borrowers.'[9]

To make matters even more complicated, sahukars commonly kept several sets of books. One category was for public examination, being designed to show their dealings in a good light. Another, showing their actual dealings, was for private use and was kept hidden away. If asked about this, sahukars argued that they had to keep two sets in case one was detained in court. However, as a local judge remarked with suspicion, the private set 'has only rarely come before me'.[10] Sahukars also kept duplicates in case the original set was destroyed by dacoits or enraged peasants. A Baniya who was attacked by some Kolis in Thane district in 1844 told the authorities: 'They burnt our house and accounts, of which latter, for safety, I had duplicated at Bhewndy.'[11]

This duplication was needed because the debts recorded in these books and papers represented the chief item of sahukari capital, and their loss would be disastrous for a usurer. For this reason, they kept a scrupulous account of all the debts owed to them, however trivial or distant in time. Sahukars almost never wrote off a debt, squirrelling away the records of even the most hopeless cases in the hope that one day someone in the debtor's family might be in a position to repay the amount owed.

[8] R.K. Trivedi, *Report of the Khedut Debt Inquiry Committee, Bhavnagar State*, Bhavnagar, 1931, p. 109.

[9] Lal Sinha Sakktawat, 'Reports on the Investigation into Rural Indebtedness in Ajmer-Merwara 1946–47', RSA, Ajmer-Rajasthan Agency 'A' Branch, SN 182, file A/2-7-II, pad. 49, 1947, p. 80.

[10] Munsif of Dahod, Panchmahals district, 26 January 1883, BA, J.D. 1885, 43.

[11] F.G. Fraser, 11 May 1844, IOL, B.J.P. 1844, P/403/31, no. 3007.

The account books were for the sahukars the essential tool of their livelihood and prosperity, manipulated as a matter of routine to increase their profits. The forms such practices took were many, ranging from profiteering of a sort which could be defended in court to outright fraud. We have already examined in chapter seven some forms of profiteering, such as deducting a discount or 'purse-loosening' charge before giving a loan, or lending a low-value grain while demanding a high-value one in repayment. Another 'legitimate' means of boosting the debt in the books was to enter advances at inflated pre-harvest prices while crediting repayments at the lower post-harvest prices. More obviously fraudulent was the practice of recording a higher sum in the books than had been loaned, or, if produce was advanced in kind, valuing it in the books at a price much higher than the market one. It was reported from Thane district in 1840 that sahukars routinely recorded both the amount of rice advanced as well as its cash value, thus doubling the debt in the books.[12] Sahukars might, alternatively, enter an item of higher value, such as best quality grain when low quality had been given.[13] In Ajmer district, it was common for the Baniyas to write *rui* (cotton) when lending *rai* (mustard); or, worse, when lending *khopra* (dried coconut) to write *khopa* (a bullock).[14] An extra figure might be added surreptitiously in the book, such as a one before a five, changing a loan of five into fifteen rupees. Sometimes, a non-existent transaction was recorded.[15]

It was very hard to prove such deceptions, as the sahukars demanded that their clients put their thumb impressions against the supposed advance before they handed over the goods or cash, and the illiterate peasants had no means of knowing whether or not the details were correct. Often, in fact, the page on which they put their impression was blank — being filled in at the usurer's leisure — which gave added scope for cheating.[16]

If a peasant demanded that a third party check the entry, the

[12] G. Pitt, Collector of Thane district, 20 July 1840, BA, R.D. 1844, 107/1664.

[13] B.H. Mehta, 'Social and Economic Conditions of the Chodhras, An Aboriginal Tribe of Gujarat', p. 653.

[14] Interview with Babulal Sen, Nagelav, Ajmer district, January 1989.

[15] Bal Krishna Verma, 'Rural Indebtedness in Village Maujpur (Distt. Alwar)', unpublished M.Com thesis, University of Rajasthan, Jaipur 1965, p. 88.

[16] B.K. Verma, 'Rural Indebtedness in Village Maujpur', p. 88.

sahukar would take the request as an insult. If pressed, he might ask a Brahman priest or local official to read out the account. Being very complicated, and written in a deliberately obscure hand, even literate people could not normally discover the truth of the matter. Rather than try, it was easier and more convenient for the priest or local official to agree to the sahukar's interpretation as a matter of course.[17]

When repayments were made, the sahukars commonly undervalued the amount credited to a peasant's account. They might even fail to record the repayment at all. As some peasants of Ahmadnagar district stated in 1875:

> The produce of the fields is also taken by the sowkars, who at the time of removing it assure us that it will be credited to our account, but they do not actually make any mention of it in the accounts. They also refuse to pass us any receipts for the produce so removed by them.[18]

Debts were augmented in the books also through interest. There were two basic forms of interest: one calculated on a seasonal basis, being repaid at harvest time, and the other calculated on a monthly basis. Seasonal loans were advanced on condition that a particular additional fraction was returned at harvest time. This could be a quarter, a half, three-quarters, or even double or treble. In eighteenth century Rajasthan a quarter was common, though records exist showing that the demand could be for a half.[19] A similar amount was demanded from peasants in Ahmedabad district during colonial times, the amount being known as *savai*, or one and a quarter on grain loans.[20] This was the norm also in Bhavnagar state and Kheda district, though in the latter area rates for the poorest Kolis could be from one and a third to double.[21] In the Panchmahals, the Bhils sometimes paid one and a quarter, but one and a half was the norm.[22] In south Gujarat it was common for sahukars to take one

[17] See depositions of Bala Salaji and Ramjee Kesoji, *DRC*, Appendix B, pp. 5 and 18–19.

[18] Petition by the peasants of Mirajgaon, Karjat taluka, Ahmednagar district, 5 July 1875, *DRC*, Appendix C., p. 207.

[19] B.L. Gupta, *Trade and Commerce in Rajasthan*, p. 164.

[20] Dayaram Gidmal, district judge, Ahmedabad, 1 May 1909, BA, J.D. 1911, 113/2387 II.

[21] T.K. Trivedi, *Khedut Debt Inquiry, Bhavnagar 1931*, p. 24; *DRC*, Appendix B, p. 52.

[22] *Gazetteers of Bombay Presidency*, vol. III, *Kaira and Panch Mahals*, Bombay, 1879, p. 237.

and a half for food grain and double the amount for seed grain.[23] In Maharashtra, the Mahadev Kolis and Thakurs of the Sahyadris commonly paid one and a half, though some sahukars demanded double.[24] In Pune district and the area to the south, sahukars demanded from one and a quarter to double the amount advanced.[25] In Nasik district, rates ranged from savai (one and a quarter), to *duni* (double), to — in times of scarcity — *tipat* or treble.[26]

Non-seasonal loans paid interest which was calculated on a monthly basis. This was an ancient practice; texts from the times of the Guptas listed this as one specific form of interest-taking called *kalika*.[27] The fourteenth-century poet, Amir Khusrau, spoke of the constant impatience of the usurer to see the month pass so that he might claim his interest.[28] There was a general rule in Maharashtra during the time of the Peshwas that no more than 4 per cent a month should be taken from a Shudra — a category which presumably covered the peasantry — lower maximum rates being specified for people of a higher varna. Monthly rates also varied according to the region in Maharashtra, the time of year, the quality of the season, the nature of the loan, and so on.[29] In Loni, in Pune district, the most common rate paid by peasants in 1819 was two pice per rupee per month, or, in percentage terms, 3.12 per cent per month.[30] In Rajasthan in the eighteenth century the most common rates in Jaipur were *biyaj*, which was 1.5 per cent per month, and *ghiwai*, which was 2 per cent per month.[31] A document of 1672 from Udaipur state showed a sahukar taking three-fourth of an anna per rupee per month, which was a rate of 4.68 per cent per month.[32]

23 Deputy Collector's Report, Surat district, BA, R.D. 1890, 15/1600.

24 Petition by 34 peasants of Mokhada Petha, Thane district, 8 April 1899, BA, J.D. 1900, 139/508.

25 Arthur Steele, *The Law and Custom of Hindoo Castes within the Dekhun Provinces*, London, 1868, p. 203.

26 *Gazetteer of the Bombay Presidency*, vol. XVI, *Nasik*, Bombay, 1883, p. 44.

27 R.S. Sharma, *Light on Early Indian Society*, Bombay, 1966, p. 130.

28 Irfan Habib, 'Usury in Medieval India', p. 402.

29 Arthur Steele, *The Law and Custom of Hindoo Castes within the Dekhun Provinces*, p. 72.

30 T. Coats, 'Account of the Present State of the Township of Lony', *Transactions of the Literary Society of Bombay*, vol. III, 1823, pp. 212–13.

31 S.P. Gupta, *Agrarian System of Eastern Rajasthan*, p. 142.

32 B.L. Gupta, *Trade and Commerce in Rajasthan*, p. 15.

The most important consideration determining the rate of interest paid by any particular borrower was that of social status. It was considered humiliating to have to pay rates over and above the norm for each level of the hierarchy. Baniyas, for instance, considered it an insult to be asked to pay more than the equivalent of about 8 per cent per annum.[33] In turn, as a matter of self-esteem, they demanded that peasants pay higher rates, which again differed according to the standing of the borrower. High rates of interest were taken regardless of any particular calculation of risk, for the sahukars knew their clients well, and peasants were normally scrupulous about meeting their obligations.[34] This bears out what Marx pointed out in volume three of *Capital*, namely, that interest rates are not set by any impersonal economic law, as many neo-classical economists hold, but by custom, that is, the amount that is accepted as a legitimate rate.[35] This is determined in all important respects by the relative powers of the lender and borrower.[36]

This is well illustrated in a British report on interest rates prevailing in Ahmedabad district in 1846. As was normal in colonial writings, rates were expressed per annum, though they would in reality have been calculated on a monthly basis. I have therefore indicated the monthly rate in brackets. If a peasant family was of a high status, being of the Patidar, Kanbi, Bohra, Brahman or Garasiya Koli communities, and holding plenty of land, the normal rate was 12 per cent (1 per cent per month). As such peasants normally repaid their debts within six months, the actual amount taken during a typical year was 6 per cent of the amount loaned. If the family was Patidar, Kanbi, Garasiya Koli or Rajput with less land, the sahukars commonly demanded 18 per cent (1.5 per cent per month). Poorer Patidar, Kanbi, Koli, Rajput, Muslim and other families with little land paid 21 per cent (1.75 per cent per month). The poorest Kolis, Sipahis, Rajputs and others who lived entirely by agricultural labour

[33] Testimony of a Sheth of Ajmer, 12 December 1929, *Ajmer-Merwara Banking Enquiry Commiittee Report 1929–1930*, p. 177.

[34] Principle Sadr Amin, Ahmadnagar, IOL, Board's Collection 1852, F4 2472, 46.

[35] Karl Marx, *Capital*, vol. III, pp. 484–5.

[36] Neeladri Bhattacharya has made this point in 'Lenders and Debtors: Punjab Countryside, 1880–1940', *Studies in History* (new series), 1:1, 1985, pp. 336–7. See also, W.C. Jordon, 'Women and Credit in the Middle Ages', *Journal of European Economic History*, 17:1, Spring 1988. Jordon argues that fluctuations in interest can be used as a subtle indicator of changes in social relations in medieval Europe.

paid 24 per cent (2 per cent per month). However, as their debts grew, this latter class often paid closer to 36 per cent (3 per cent per month).[37]

The rates in Kheda, Baroda and Bharuch districts of central Gujarat appear to have been similar to those of Ahmedabad district.[38] The rates in Maharashtra were generally higher. A report of 1840 for Pune district stated that although some borrowers only paid 2 per cent a month, two pice per rupee per month was a common rate (3.12 per cent per month), while others paid up to an anna per rupee (6.25 per cent a month).[39] Poor Kolis of Pune district paid at least one anna, and sometimes one and a half to two annas per rupee per month. The latter amount worked out to 12.5 per cent per month.[40] It was reported from Ahmadnagar district in 1848 that the peasants paid either two, three or four *sivrais* per rupee per month, depending on their standing. The percentage equivalents were, respectively, 2.5 per cent, 3.75 per cent and 5 per cent per month.[41]

Almost invariably, interest on unpaid debts was compounded.[42] Although interest was calculated on a monthly basis, compounding was not normally carried out so frequently. The most frequent occasions were after the harvest, when any extra owing after a share of the crop had been taken was added to the longstanding debt, or at the end of the financial year, at Diwali. The latter festival in any case coincided with the kharif harvest. So the general rule was that a debt was compounded annually if the kharif was the only important harvest in the year, but twice a year if there was also a significant rabi harvest. If there were three harvests, the process might take place thrice.

37 E.G. Fawcett, collector of Ahmedabad, 28 October 1846, BA, R.D. 1847, 161/959.

38 Kirkland, collector of Kheda district, 8 October 1840, BA, R.D. 1844, 107/1664. A.W. Ravenscroft, collector of Broach, 20 August 1846, BA, R.D. 1847, 116/959; A.N. Datar, *Report on the Economic Condition of the Padra Taluka,* Baroda, 1910, p. 7; M. Nanavati, *Report on the Agricultural Indebtedness in the Baroda State,* Baroda, 1913, p. 24.

39 W.E. Frere, assistant collector, Pune district, 2 July 1840, BA, R.D. 1844, 107/1664.

40 G. Giertzen, district superintendent of police, Pune district, 18 April 1876, BA, J.D. 1876, 50/1876.

41 Assistant collector, Ahmadnagar district, 12 October 1848, IOL, Board's Collection 1852, F4 2472, 46.

42 Arthur Steele, *The Law and Custom of Hindoo Castes within the Dekhun Provinces,* London, 1868, p. 265.

Even though compounded debts mounted very fast, sahukars used a number of tricks to speed the process. Interest might be added at the time the loan was given, and then charged again at the end of the period of account, thus doubling the amount taken. Alternatively, the sahukar might make an oral promise to levy a particular rate, but in fact take a higher one. As some peasants of Thane district complained in 1899: 'We remain under the impression that the savkar has put in the savai [one and a quarter] rate, but eventually after six months we find the interest is calculated at one and a half times or double, and that we are obliged to pay.'[43]

There was a popular belief that sahukars had no right to demand in repayment more than double the amount originally advanced — known as the rule of *damdupat*. This principle was often enforced by village panchayats in pre-colonial times, when it was the practice for them to adjudicate in disputes between sahukars and villagers.[44] The Kanbis of Maharashtra continued to believe in the legitimacy of this principle during the nineteenth century.[45] The same was true in Gujarat, where in 1922 a dozen peasants of a village of Bhavnagar state, who were deep in debt to some Baniyas, made a request that they be held liable to only double the sum lent originally.[46]

In this matter, however, the peasants did not necessarily have the law on their side. According to the *Manusmrti*, it was legitimate for a usurer to demand in repayment up to five times the value of the original amount advanced for loans of grain, fruit, wool and beasts of burden, and products from cattle such as ghee and milk. Some other *smrtis* argued that no more than double the amount advanced originally could be demanded in repayment at any one time, which was known as the rule of *dvaigunya*. This did not however preclude far more than double being taken in instalments.[47] Also, if double the principle and interest was not paid within an agreed time, further interest could be charged.[48] In Mughal times,

[43] Petition by 34 peasants of Mokhada Petha, Thane district, 8 April 1899, BA, J.D. 1900, 139/508.

[44] Arthur Steele, *The Law and Custom of Hindoo Castes within the Dekhun Provinces*, London, 1868, p. 265.

[45] *DRC*, Appendix A, p. 265.

[46] T.K. Trivedi, *Khedut Debt Inquiry, Bhavnagar 1931*, p. 3.

[47] P.V. Kane, *History of Dharmashastra*, vol. III, Pune, 1973, pp. 422–3.

[48] R.S. Sharma, *Light on Early Indian Society and Economy*, p. 126.

Akbar ordered that in the case of state loans to officials no more than double the principle could be taken in repayment.[49] This did not apply to peasants, but the rule may have been coloured by peasant beliefs. Under the Peshwas in Maharashtra there was a general rule that no more than double the amount advanced could be demanded in repayment for a loan of money, and treble the amount for a loan in kind. This was known as *dam dusur kun teesur.*[50] After their conquest, the British did not initially make any ruling in this respect: interest could be compounded to an unlimited extent.

Even if the rule of damdupat was applied, sahukars could easily circumvent it by making their clients take out a fresh bond when the debt had doubled. This was the practice in medieval Rajasthan. In a case of 1762 from Mauzabad pargana of Jaipur state, a Baniya is shown to have taken compound interest until the debt was doubled, after which he extracted a fresh bond from the borrower.[51] This practice was also common during the colonial period. In Bombay Presidency there was a rule that a debt bond was valid for only twelve years — and from 1859 for only three years — which meant that the sahukars routinely made out a fresh bond for the compounded sum before the time was up.[52]

In practice, as T. Coats pointed out in his account of the village of Loni in Pune district in 1819, peasants rarely knew what was in the bahis, and most believed that they had paid all the just demands many times over.[53] What mattered to the peasants was not so much the state of their accounts, but their credit-worthiness. This could be ensured only by maintaining good relations with their sahukar, and it was safest in this respect not to question the usurer too closely about calculations in the bahi.

[49] I. Habib, 'Usury in Medieval India', p. 409.

[50] T. Coats, 'Account of the Present State of the Township of Lony', *Transactions of the Literary Society of Bombay,* vol. III, 1823, pp. 213.

[51] D. Singh, 'Role of Mahajans', p. 24.

[52] Sumit Guha, *The Agrarian Economy of the Bombay Deccan 1818–1941,* p. 75.

[53] T. Coats, 'Account of the Present State of the Township of Lony', *Transactions of the Literary Society of Bombay,* vol. III, 1823, p. 213.

III

On the whole, peasants were very scrupulous about honouring their debts, even though it might cause them much hardship. The social standing which credit-worthiness ensured was far too important to be jeopardized. However, the sheer degree of exploitation carried on by the sahukars, often way beyond anything considered a legitimate demand, caused inevitable tensions and at times a breakdown in the relationship. It was at such times that the sahukars could reveal the full extent of a peasant family's liabilities and demand instant repayment. They could then use all their powers to force the family to repay from whatever assets it had. There were a number of ways in which sahukars brought pressure to bear in this respect in the pre-colonial period.

From Maharashtra, it was reported that in the period before British rule, village or caste elders, or a village headman, could be asked to intervene. The elder or headman would advise the debtor family to pay up and they might organize the mode and time of payment. If the family disputed the debt-claim, its members could demand that a panchayat arbitrate. The headman would then assemble a panchayat of leading villagers, consisting of from five to more than fifty people. The village accountant attended, acting as a scribe and reader of documents. A written acknowledgement of consent to the procedure was first taken from both parties, and often a security as well. Members of the panchayat expected to receive presents from the sahukar and the debtor, but this was not meant to influence their judgement. The panchayat cross-questioned the two parties, and the sahukar's books could be examined. Oral evidence was however valued more. The panchayat then debated the matter and drew up an award in which a summary of the case was written down. According to Mountstuart Elphinstone: 'Throughout the whole proceedings, the panchayats appear to have been guided by their own notions of justice, founded no doubt on the Hindu law, and modified by the custom of the country.'[54]

Members of a panchayat commonly awarded a sum which took into account the circumstances of the debtor family, and which

[54] M. Elphinstone, 'Report on the Territories Conquered from the Peshwa', in G.W. Forest (ed.), *Selections from the Minutes and Other Official Writings of the Honourable Mountstuart Elphinstone*, London, 1884, p. 341.

allowed for the accumulation of interest up to damdupat. If the family was very poor, they might order that only the principle be repaid. They could arrange for the amount to be repaid in instalments, or even order an exemption for a certain number of years. They might specify exactly what was to be handed over, for instance, a cow, buffalo, bullock, grain or other possessions. As the village elders and headmen were obliged to the sahukar in one way or another, the settlement was more likely to favour the sahukar than the indebted family. For example, the items specified to be handed over might be undervalued by the panchayat. In Maharashtra there was a proverb: '*Panch parameshvar*', which meant that the panchayat was to be respected as God Almighty, and as a rule, the panchayat's decision was adhered to. If, however, debtors took their time in honouring the award, the village headman could seize their property, or even land.[55]

Because credit-worthiness was such a matter of honour, peasants could be shamed into paying their debts through public dunning, which normally involved sitting before the door of the debtor family. This was a very old practice. The *Manusmrti* mentions, among other means of debt recovery, *carita*, or sitting at debtors' doors so as to embarrass them into paying up. In some cases, the lender tied his wife, son or cattle at the door, or sat there without eating food.[56] A Marwar inscription of 1141–1142 mentions the practice, using the term *kaya-vrata*.[57] In the eighteenth century it was generally known as *dharna* or *tukaza*. By then, it was unusual for a sahukar to himself sit at the door of a family considered his inferior; others were hired to do so. The debtors were held responsible for the upkeep of these hired protesters so long as the latter continued their action.[58] In Maharashtra, Mahars were commonly hired for this purpose.[59] Members of this untouchable caste acted as village

[55] Ibid., pp. 336–55; Arthur Steele, *The Law and Custom of Hindoo Castes within the Dekhun Provinces*, London, 1868, p. 265; Ranvir Prakash Saxena, *Tribal Economy in Central India*, Calcutta, 1964, pp. 217–19.

[56] P.V. Kane, *History of Dharmashastra*, vol. III, Pune, 1973, pp. 438–9. The five means of recovery advised were persuasion, legal proceedings, trick, sitting before the door, and labour bondage/imprisonment.

[57] Ibid.

[58] *DRC*, p. 26.

[59] For example, see Sama Patra of the inhabitants of Kalas, Indapur taluka, 7 May 1875, *DRC*, Appendix C, p. 208.

messengers, guides and watchmen, being responsible for calling peasants to the village office to pay their land-tax. In return they received a share of the crop. Performing dharna for a sahukar was an extension of such work. A group would go and sit before the debtor's house in a clamorous manner, advertising the fact that the family had dishonoured a debt. Timing was important; if a moment of celebration was chosen when guests would be at the house, the debtor family was likely to come to an agreement much sooner. Similar methods were used in Kathiawad by Vagharis, a low caste which bred animals and gave them on credit to peasants. If a family failed to pay its debt, the Vagharis went in a body and sat before the house holding unused *datun* (tooth-cleaning sticks) to symbolize the fact that they had not yet eaten.[60]

Sometimes Brahmans were employed for this task, as it was considered particularly shameful to cause hardship to members of this caste. In eighteenth century Maharashtra many Brahmans made a living by hiring themselves out for this purpose.[61] They would sit at the door lamenting the debt, appealing to the gods and abusing and cursing the debtor in a loud voice. They might bring a small murti of a deity, to be worshipped at the same time, invoking the blessings of the deity for the protest. They might also fast, or perhaps stand with a stone placed on the head or with their top-knot nailed to the debtor's door, so as to increase the moral pressure.[62]

A more extreme form of moral pressure could be exerted by creditors threatening to shed their own blood unless the debt was repaid. The guilt and social opprobrium would be seen to fall on the persons who had caused the injury or death. There is a story of a Brahman in the time of Akbar who had lent a rupee to a shepherd. The Brahman went to the shepherd and said that if the rupee was not repaid he would hang himself, making the shepherd responsible for his death.[63] Mahipati likewise recounts an incident in the life of Tukaram when the saint gave some goods on credit

[60] Interview with the folklorist and artist, Khodidas Parmar, Bhavnagar, December 1988.

[61] Thomas Broughton, *Letters Written in a Maratta Camp during the year 1809,* London, 1892, p. 32.

[62] Arthur Steele, *The Law and Custom of Hindoo Castes within the Dekhun Provinces,* London, 1868, p. 267–8; *Gazetteers of Bombay Presidency,* vol. XVIII, *Poona,* Part III, Bombay, 1885, pp. 9 and 12.

[63] The shepherd was contemptuous of the Brahman, and in the story later had his come-uppance. *North Indian Notes and Queries,* 2:4, July 1892, p. 63.

in the Konkan. When one of the people refused to pay him, Krishna came to Tukaram's aid. He took on the guise of Tukaram's servant and went to the debtor and threatened to hang himself, and thus disgrace the place, unless the money was handed over. The neighbours of this man pleaded with him to relent. When the servant made preparations to hang himself, the neighbours beat the debtor and forced him to pay up.[64]

Besides these moral and social pressures, sahukars could also use coercion. If it was suspected that debtors had money or ornaments buried somewhere, or kept with relatives, the sahukars might send some of their strongmen to beat or torture a member of the debtor family until its savings were disgorged. Or, the sahukars might have debtors seized and imprisoned in their houses until they agreed to pay. These methods appear to have been common in early medieval times. During the Solanki period in Gujarat, creditors are said to have bound debtors with chains and left them exposed in the sun on a sandy river bank or to have imprisoned them in painful ways.[65] In Maratha times, sahukars often caught recalcitrant debtors, brought them to their houses, and had them beaten, starved, tied out in the sun or otherwise humiliated. Numerous complaints were made about such ill-treatment, and in extreme cases the usurer might be cautioned by officials. On the whole, however, the state turned a blind eye, in effect giving the sahukars license to coerce recalcitrant peasants in whatever way they pleased.[66] This continued to be the case under British rule. A potter in a village of Ahmadnagar district related in 1875 how the Marwari sahukar was able to stop him from moving out of the village and even imprison him to make him pay his debts.[67]

Sahukars could try to persuade lords or state officials to coerce the peasants for them. This was a costly procedure, making it very much a last resort. In Mughal times sahukars could approach a local official, such as a faujdar, present him with appropriate gifts and ask him to force their debtors to repay their debts. It was

[64] J. Abbot, *Tukaram,* p. 59.

[65] V.K. Jain, *Trade and Traders in Western India,* p. 194.

[66] M. Elphinstone, 'Report on the Territories Conquered from the Peshwa', in G.W. Forest (ed.), *Selections from the Minutes and Other Official Writings of the Honourable Elphinstone,* London, 1884, p. 346–7; *DRC,* p. 27; *DRC,* Appendix B, pp. 115–16.

[67] *DRC,* p. 79.

normally agreed that the official would retain a quarter, or even more, of the sum to be realized. Once motivated, these petty officials took drastic and brutal action, often beating up debtors, seizing their possessions, even selling members of their families into bondage.[68] In eighteenth century Rajasthan sahukars could approach a jagirdar, or, in a small state, the maharaja, to act in a similar manner.[69] In Saurashtra too, where: 'If a man have a debt to recover, he consents to give up a certain share of it to the Chief, who thereupon proceeds to coerce the debtor; but this process is often one of rival bidding for the Chief's favour.'[70] In eighteenth century Maharashtra sahukars normally went to the mamlatdar, who would then coerce the peasants concerned and take his cut.[71]

Under colonial rule many of these debt-collection practices were held to be illegal. Dharna, and intimidation by hired toughs was banned, and gifts to officials to encourage them to take direct action was classed as 'bribery'. The British appropriated for themselves the sole authority in such matters, coercive action being permitted only after a ruling had been given by a judge in a court of law.[72] This did not of course prevent sahukars from taking action directly. They continued to use strongmen, and local officials would often act in their interests far beyond the call of their official duties. Many sahukars continued to employ people to stage dharnas before the houses of their debtors, even though they risked being prosecuted if a complaint was made.[73] The civil courts however, provided such powerful means for collecting bad debts that these various forms of dunning and coercion gradually became obsolete during the course of the nineteenth century.

Although on the surface it might have appeared preferable for the state to take responsibility for enforcing debt rulings according to what was claimed to be a rational and uniform code of law, in

[68] I. Habib, 'Usury in Medieval India', pp. 413–16.

[69] B.L. Gupta, *Trade and Commerce in Rajasthan,* p. 234.

[70] Report by George Le Grand Jacob, 1842, *Selections from the Records of the Bombay Government,* No. 37, Bombay, 1856, p. 28.

[71] M. Elphinstone, 'Report on the Territories Conquered from the Peshwa', p. 337.

[72] For a critical analysis of this process, see Upendra Baxi, 'The State's Emissary: The Place of Law in Subaltern Studies', Partha Chatterjee and Gyanendra Pandey, *Subaltern Studies VII,* New Delhi, 1992, p. 252.

[73] W. Bartle Frere, assistant collector, Pune district, 2 July 1840, BA, R.D. 1844, 107/1664.

practice the new system caused even greater hardship to the peasants than the old. As Felix Padel has remarked in this context: 'Great violence lurks beneath a literary surface of bureaucratic and legalistic correctness and self-restraint.'[74] It is to the operation of colonial civil law that we shall now turn.

IV

As we have seen in chapter three, the system of civil justice was extended throughout Bombay Presidency during the first three decades of the nineteenth century. Judges were appointed and impressive custom-made buildings constructed. The new court at Kheda was, for example, described as 'a handsome building, with pillars in the Grecian style, having its attic story raised high above the town, and containing very convenient apartments for the judge and his family'.[75]

The new system of law, as it was applied to debt cases, differed from customary law in several important respects. Unlike the panchayats of elders, or even local officials, the civil judges were normally Indians of high social status who looked down on village people with considerable contempt, being closer in sympathy to the sahukars than the peasants.[76] Neither Indian nor European judges had as a rule any knowledge of the local background to the cases heard before them. They were allowed to take into consideration only the evidence presented in court, which in practice meant the sahukar's account book or debt bonds. Under British civil law, books or bonds were sufficient to prove a debt. The burden of evidence thus shifted from oral cross-examination to a scrutiny of written documents which were often doctored.

The sahukars caught onto the implications of this new situation very quickly, and were soon using the colonial judicial machinery to their advantage. Cases could be won with little difficulty by

74 F. Padel, 'British Rule and the Konds of Orissa: A Study of Tribal Administration and Its Legitimating Discourse', unpublished D. Phil. thesis, University of Oxford 1987, p. 150.

75 Reginald Heber, *Narrative of a Journey Through the Upper Provinces of India, From Calcutta to Bombay, 1824–1825,* vol. III, London, 1828, p. 49.

76 From 1830 onwards Indians were allowed to sit as judges in any civil court in Bombay. Ballhatchet, *Social Policy and Social Change,* pp. 311–12.

presenting doctored accounts, by employing hired witnesses and by ensuring that peasants did not appear in the courtroom to defend themselves. Many sahukars employed a regular group of witnesses who were prepared to swear in court to give credence to forged bonds and accounts. According to one collector of Ahmadnagar, writing in 1840, nine out of ten witnesses gave false evidence to the courts.[77]

The sahukars also did all they could to ensure that their debtors did not appear on the day to contest the case. By law, debtors were meant to be served a notice that the case would be heard on a particular day, so that they could engage a lawyer in their defence. The sahukars feared that if they received any such notices they would hide their moveable property with relatives and friends and perhaps flee to another area. They therefore routinely bribed the court notice-servers to not perform their task. The judges connived at such practices, not wanting to be troubled with contested cases; indeed, not even wanting uncouth peasants polluting their courts.[78] Because of this the large majority of cases brought by sahukars against debtors went uncontested.[79]

Even when peasants did appear to defend their case, they were at a grave disadvantage. They had no understanding of the principles of the system of civil justice; they could not — unlike the sahukars — afford to hire lawyers to help them, the courts were situated in headquarter towns far from their villages, and the whole atmosphere of the courts — with the judges sitting on a high platform, decked out in British judicial robes minus the wig — was intimidating, even terrifying. When asked what their 'defence' was, the word generally used in Marathi had connotations of obstinacy or impropriety, and the frequent response of peasants was to deny that they had any such 'defense', or that they would say whatever the *sarkar* wished.[80] Often, they considered it impolite to contradict their sahukar in court.

[77] H. Harrison, collector, Ahmadnagar district, 30 October 1840, BA, R.D. 1844, 107/1664; Assistant Collector's Report, Ahmadnagar district, 1874–1875, BA, R.D. 1875, 3/971.

[78] Report by L.R. Ashburner, collector of Khandesh, 24 July 1870, DRC, Appendix B, p. 101. In Khandesh, Ashburner reported, the Brahman judges and lawyers performed ceremonies of ritual purification after a Bhil peasant had been in their courtroom.

[79] In 1873–1874, 86 per cent of such cases in Bombay Presidency went uncontested. *DRC*, p. 73.

[80] M.V. Kathavata, Subordinate Judge, Shevgaon, 1 November 1888, BA, J.D. 1890, 83 pt. 2/362.

Judge A.D. Pollen reported a typical plea given by a peasant when confronted in court with a debt-bond bearing his thumb-print:

> I executed the bond — it is true — but I did not receive any cash payment. The bond was taken from me for an old debt. I cannot tell how much I or my father originally received. I have paid off the debt by handing over the produce of my fields to the plaintiff from year to year. Let the court investigate the past history and take an account. Let the rate of interest, which is exorbitant, be reduced — and I will pay whatever balance may be found by easy instalments.

Pollen went on to say that such a plea was of no value without documentary proof to show that the loan had been repaid.[81] The judge would demand to see the receipts, and when the peasant failed to produce them, award the case to the sahukar. In this way, it was possible to get through a large number of cases in a very short time. As Pollen also stated: 'I have been in Courts where the Judge had disposed of fifty or sixty suits on bonds in about an hour. The Judge merely asked the defendant whether the signature to the bond was his, and that being admitted, the Judge would at once pass a decree, whether there was any defence or not.'[82] Once the verdict went against the peasant, the judge was obliged by law to order the peasant to pay the debt in full. No provisions existed for ordering payments by instalments — as had been the case in customary law, and which would have given the peasants a more realistic chance of paying the amount owed.

Because the system was so loaded against the peasants, only a very few judgements went in their favour, even if contested. For instance, in Ahmedabad district between 1870 and 1877, of the 619 cases contested on an average each year (representing only 10.6 per cent of the total cases heard), the defendants won on only 105 occasions. Expressed in terms of the total number of cases heard, the judgement went in favour of a defendant in only 1.8 per cent of the cases.[83]

The judges had the power to order that the debtors be imprisoned

[81] A.D. Pollen, 21 March 1885, BA, J.D. 1885, 43.

[82] *Report of the Commission Appointed to Inquire into the Working of the Deccan Agriculturists' Relief Act, 1891–1892,* Calcutta, 1892, p. 22.

[83] The figures do not specify if the defendants won any uncontested cases — probably because none did. *Gazetteers of the Bombay Presidency, Ahmedabad,* vol. IV, Bombay, 1879, p. 194.

until they paid up. Normally they would only do this if the sahukars demanded it. They sometimes did this knowing that the mere threat of imprisonment would bring the debtor to heel. A judge of Kheda district reported in 1875 that out of a hundred applications for imprisonment, only one or two debtors were actually sent to the civil jail.[84] A British official who had served in Ahmadnagar district observed in 1879: 'On no occasion have there been more than seven civil prisoners out of a population of over 700,000 souls.'[85] Clearly, neither the judges nor the sahukars considered imprisonment an effective means of getting debts repaid.

The normal procedure was, rather, for the sahukar to request that a court bailiff be sent to the debtor's home to confiscate and auction his property. The bailiffs — who were commonly Brahmans or high-caste men — were normally in league with the usurers, often staying at their houses before executing a decree, and acting throughout entirely as the sahukars wished.[86] When a confiscation was carried out the bailiff was frequently accompanied by the sahukar's own strongmen.[87]

In many cases, no confiscation actually occurred. Once the judgement had been given, the sahukar would approach the client family, tell them what had happened — usually a bolt from the blue for the family, which until then knew nothing of the court case — and promise to have the case withdrawn if they made a part payment there and then and agreed to sign a fresh debt bond for an even higher sum. The frightened peasants often agreed to these terms. A judge of Kheda estimated in the 1870s that of every hundred cases in which the confiscation of a debtor's property was ordered, about six were cancelled because the debtor paid up in full and about thirty-two were withdrawn at the sahukar's request. In a further twelve cases, on an average, the sahukar did not bother to have the order enforced. Of the other fifty cases in which the court bailiff went to the village, in about forty cases no property could be found to confiscate — either because the peasants had been

[84] Report by a subjudge of Umreth, *DRC,* Appendix B, p. 125.

[85] Quoted in Charlesworth, *Peasants and Imperial Rule,* p. 103.

[86] Petition from 414 peasants of Mangaon taluka, Kolaba district, 7 December 1891, BA, J.D. 1893, 98/10.

[87] District superintendent of police, Thana district, 21 February 1896, BA, J.D. 1897, 168/886.

forewarned or were too poor. In only about ten cases, on an average, did actual confiscation and sale occur.[88]

The auctions of confiscated property — normally held in a local town — were very dubious affairs. The sahukar who had taken out the case commonly asked the bailiff to keep the auction a secret so that no other bidders would appear.[89] Sahukars also made pacts amongst themselves not to bid against each other. If peasants did try to bid, they were likely to be abused and shouted down by the sahukar.[90] Peasants were in any case reluctant to bid, for it was considered disreputable to take advantage of a fellow-family's plight, and it could even lead to social ostracism.[91] As a result the sahukars who had advanced the credit were normally the only bidders, and they were able to appropriate the peasants' property at a knockdown price. Because of this, it was common for the bailiffs to confiscate far more than was needed to cover a debt. According to a British official serving in Gujarat in 1876: 'Property is attached beyond what is noted in the Durthast and greatly in excess of the value of the debt. I have known thirteen head of cattle attached for a debt of 20 or 22 rupees.'[92]

A judge of Kheda district with something of a social conscience gave a harrowing account of the peasants' plight:

> It is a matter of almost daily occurrence here that a poor ryot's miserable dwelling hut (which sometimes is not more than Rs 5 in value) is attached in execution of a decree for about Rs 10 against him, and his earthen cooking utensils, the stone-mill for grinding corn, a few clothes that are used for wearing and also for bedding, one or two old cots used by children and sick persons to lie on, and everything else that is worth anything is seized and brought to the nazir's office to be sold in satisfaction of some decree. Although the poor ryot is thus stripped of everything valuable that is found in his possession, and his dwelling hut sold away, it is eventually found that the sale proceeds of the whole of his property after deducting therefrom the cost of the attachment and sale, are not sufficient to satisfy the whole of the decree...
> All this hardship is inflicted upon the debtor in many cases, simply because

[88] Subjudge of Umreth, *DRC*, Appendix B, pp. 125 and 161.

[89] Subjudge of Mehmedabad, Kheda district, *DRC*, Appendix B, p. 161.

[90] J.P. Orr, assistant collector, Kolaba district, 25 June 1892, BA, J.D. 1893, 98/10.

[91] J. Campbell, *DRC*, Appendix B, p. 309.

[92] H.A. Acworth, assistant collector, Panchmahals district, 15 July 1876, BA, R.D. 1876, 10, pt. 2/1518.

he has no immediate means of meeting the demands of his creditor, although he had always been perfectly honest in his dealings with him, and had not contracted the debt through any vicious or immoral habits.[93]

As a result of these actions, peasants were often left with no means of livelihood at all.

By the 1870s the civil courts had thus become what one British official called 'machines for the collection of debts, rather than tribunals for the administration of *justice*'.[94] They were effectively in the pockets of the usurers. As another British official put it: 'The Civil Court is thus a powerful machine which is practically under the control of the soukar, inexorable when he sets it in motion, but ready to pause when he requires it.'[95]

V

Although such cases in the civil courts generally led to the confiscation and sale of moveable property and houses, there was a growing trend from the mid-nineteenth century onwards for courts to order the sale of a peasant's land for debt. There was nothing at all new about usurers acquiring land in repayment for debts. The practice of enjoying the income or rent from land as a form of interest on a debt is mentioned by the lawgiver Brhaspati (*c.*300–500 AD).[96] It seems to have been a fairly common practice in the early medieval period.[97] Most of these transfers were, however, more accurately described as a form of mortgage rather than sale. A transfer deed for land in a village near Pune for 1739 stated, for example, that in return for money borrowed, the landholder would give possession of one of his fields for twenty-seven years, after which it would be returned.[98] There were several different arrangements in this respect.

[93] C.S. Chitnis, 8 July 1875, *DRC*, Appendix B, pp. 247–8.

[94] F. Sheppard, collector of Kheda district, 28 August 1875, DRC, Appendix A, p. 306, emphasis in original.

[95] H.A. Acworth, assistant collector, Panchmahals district, 15 July 1876, BA, R.D. 1876, 10, pt. 2/1518.

[96] There does not appear to be any mention of the practice in earlier texts, such as the *Manusmrti*. B. Bhargava, *Indigenous Banking in Ancient and Medieval India*, Bombay, 1934, p. 105.

[97] V.K. Jain, *Trade and Traders in Western India*, pp. 207–8.

[98] Deed quoted in G. Forrest (ed.), *Writings of Mountstuart Elphinstone*, p. 381.

According to a British official, writing at the advent of British rule in Maharashtra:

> In some, the land mortgaged is held by the mortgagee in lieu of interest. In others, a certain proportion of the profits go to the liquidation of the original debt. In a third class the debt is paid off by the usufruct of the soil in a given number of years. In a fourth, the mortgager sells himself (as it were) with the land, and agrees to cultivate it, paying the greater part of the profits to the mortgager. In a fifth, the mortgage bond is so worded as to become a deed of sale if the debt is not paid within a limited time, etc., etc.[99]

Such arrangements were also common in eighteenth century Gujarat and Rajasthan.[100] Tod mentions a village in Mewar in which most of the more fertile land along the banks of a river was mortgaged to the sahukars of a nearby town. Each year, the peasant was bound to hand over a fixed proportion of the harvest to the sahukar; failure to do so could lead to the mortgage being foreclosed. In practice, however, this hardly ever happened, and mortgages often ran on for generations. Tod saw a mortgage deed which was a hundred and one years old, and some cultivators told him that their land had been mortgaged for four or five generations. Despite this, they did not believe their right of ownership to their ancestral lands to have been in any way impaired.[101] Sahukars preferred this arrangement, as it provided a means of obtaining a regular share of the produce at a time when land was plentiful and clients not easy to obtain. It was in their interests to respect the ancestral rights of the peasants, and not try to sell them, so as to keep them on the land.[102]

Debt could lead to the loss of an ancestral holding. In the example cited at the beginning of this section for a village near Pune in the

[99] Pottinger, collector of Ahmadnagar district, quoted in Sumit Guha, 'The Land Market in Upland Maharashtra *c.* 1820–1960-I', *The Indian Economic and Social History Review,* 24:2, April–June 1987, p. 122.

[100] For Gujarat, see Thomas Marshall, 'A Statistical Account of the Pergunna of Jumboosur', in *Transactions of the Literary Society of Bombay,* 3, 1823, p. 358; for Rajasthan, see D. Singh, 'Mahajans in Eastern Rajasthan', p. 22; B.L. Gupta, *Trade and Commerce in Rajasthan,* p. 157.

[101] J. Tod, *Annals and Antiquities of Rajasthan,* vol. I, pp. 578–9.

[102] For a discussion to this effect, see Imamuddin, extra assistant commissioner, Ajmer district, 9 June 1896, RSA, Ajmer Commissioner's Office, Register 1, SN 216, file B(5)6, basta 19, 1893.

1730s, the person who had mortgaged the land became destitute after six and a half years, and fearing that his family would starve, went to the creditor and proposed that he transfer the full ownership rights of half the land, if he could then take back the other half. This was agreed, and a deed was drawn up:

> You are bound to preserve all the customs of the village, and to conform to particular customs heretofore established in respect of the land and rights now made yours; such as the payment of the Sarkar's revenue, Purelpan, etc., the rights of the Kulkarni, and the Balut of the Baluties; and you will enjoy, you and your sons, and your son's sons, to future generations, the land above-mentioned; and on the ground in the village given to you, you will build a place, what you please, and be undisturbed; and we engage to be answerable for any molestation given you by any of our friends or relations so that you will sustain no injury.[103]

It is clear from this deed that such transfers of ancestral land (vatan or miras) could only occur if the owner did it voluntarily and guaranteed that his relatives and other villagers would not harass the new owner. Various customary duties were transferred at the same time. According to Briggs, such transfers had to be witnessed by the surrounding patils, as well as the deshmukh of the district and the military authorities. As vatandars and mirasdars were very jealous of their rights, transfers of this sort were uncommon.[104] This was also the case in Rajasthan, where Baniyas are found often in the records for the period 1650–1750 holding land in mortgage, but hardly ever the bapota, or ancestral, right.[105]

In contrast to earlier rulers, the British asserted a right of state ownership of all land. The peasants were considered under the law to be 'tenants of the state' who were granted security of tenure and the right to pass on land to heirs so long as they paid their land tax. If they failed to pay their tax, they could be evicted and the land was then auctioned to the highest bidder. The new civil courts were also given the power to confiscate and sell land in payment of debts. The principle that the state had a right to order the eviction of a peasant from an ancestral holding was wholly alien to pre-colonial practice. Although in doing this the British claimed to be creating a new 'rule of property', they in fact deprived the peasants of some

[103] G. Forrest (ed.), *Writings of Mountstuart Elphinstone*, p. 381.

[104] Captain Briggs, Political Agent in Khandesh, 22 December 1818, in ibid., p. 385.

[105] S.P. Gupta, *Agrarian System of Eastern Rajasthan*, p. 143.

of their most valuable rights in land, most notably their right of freedom from eviction.

During the early years of British rule in western India, sahukars preferred to take mortagages on land in the old way rather than have a client evicted for debt, even though this was now possible under the law. The reason was that land-tax rates were high and agrarian prices low, so that land had little value as such.[106] The sahukars used the civil courts mainly to bring pressure to bear on their clients so as to ensure that they handed over a large share of the crop each year.

By the 1840s, with the policy of high taxation an obvious failure, the British tried to revive agriculture by lowering taxes and encouraging the development of a market in land. To achieve this, they carried out a massive survey of all the land under their control, in which fields were mapped out and a new system of rights created. Peasants were now considered to hold their lands as individuals, free from community obligations and controls. They were permitted to buy and sell land as if it was just one more speculative commodity.[107] This huge undertaking was largely completed in Maharashtra by the 1850s and in Gujarat by the 1870s. In 1865 it was ordered that all land rights thus demarcated had to be registered by law in the form of land deeds.[108] Once land deeds were available, the sahukars began to demand that they be handed over to them as a security against debt.

This occurred at a time when agrarian prices were rising, allowing a recovery in agriculture. The rural population was growing at this time, which saw an increased demand for land.[109] The area under cultivation increased and marginal land soon began to be brought under the plough. By 1858 the collector of Ahmadnagar was able

106 For details, see R. Kumar, *Western India in the Nineteenth Century*, pp. 102–3; Sumit Guha, *Agrarian Economy of the Bombay Deccan*, pp. 17–18 and 24–26, and 'The Land Market in Upland Maharashtra *c.* 1820–1960-I', *The Indian Economic and Social History Review*, 24:2, April–June 1987, p. 123; Raj Kumar Hans,' Agrarian Economy of Broach District (Gujarat) During the First Half of the Nineteenth Century', unpublished Ph.D. thesis, M.S. University, Baroda, 1987.

107 Frank Perlin, 'Concept of Order and Comparison with a Diversion on Counter Ideologies and Corporate Institutions in late Pre-Colonial India', *The Journal of Peasant Studies*, 12:2 and 3, January–April 1985, pp. 130–1.

108 *DRC*, p. 44.

109 Sumit Guha, *Agrarian Economy of the Bombay Deccan*, pp. 56–61.

to write: 'Land has now become the most valuable real property in the country...there is a new and marked tendency on the part of moneylenders to secure land from their debtors.'[110] Figures compiled by the government for some selected villages of the four Maharashtrian districts of Pune, Satara, Ahmadnagar and Nasik revealed that the amount of land owned by Marwari and Gujarati Baniyas increased nearly fourfold between 1854–1855 and 1887–1888.[111] It was calculated in 1875 that Baniyas owned about 5.32 per cent of the arable land of the talukas of Parner, Sangamner and Akola in Ahmadnagar district, the average Baniya holding being 32.71 acres.[112] Figures for the same year for six villages of Indapur taluka of Pune district showed that the Baniyas owned 6.68 per cent of the land.[113]

In many respects, these figures for Baniya ownership represented only the tip of an iceberg, for the old system of mortgaging land continued alongside the new system of forced sales, with more land being held in mortgage than in legal ownership. An indication of this is seen in the figures showing sales and mortgages of land between cultivators and non-cultivators in Pune and Ahmadnagar districts between 1883 and 1891. In 1883 there were about three times as many mortgages of this sort as sales, and in 1891 about four times as many.[114]

[110] C.E. Fraser Tytler, collector of Ahmadnagar, 9 December 1858, BA, R.D. 1859, 167/322.

[111] Report on Working of Deccan Agriculturists' Relief Act, 27 April 1889, BA, J.D. 1889, 81, p. 115.

[112] The figures are for 'Marwaris'. Almost all the Baniya sahukars in the area were Marwaris. Assistant Collector's Report, Ahmadnagar district, 1874–1875, BA, R.D. 1875, 3/971.

[113] *DRC,* Appendix C, pp. 200–1. The figures were, again, for 'Marwaris'. In fact, in Indapur most of the Baniya sahukars were Gujarati Baniyas, and the term 'Marwari' appears to have been used loosely to cover them too.

[114] *Report of the Commission Appointed to Inquire into the Working of the Deccan Agriculturists' Relief Act, 1891–1892,* Calcutta, 1892, pp. 8–9, 13–14 and 18–19. There is a large and controversial literature on the whole issue of land-grabbing by sahukars. For a summary of some of the arguments, see I.J. Catanach, *Rural Credit in Western India,* p. 12. Neil Charlesworth has argued that there was little transfer of land to sahukars before the 1870s, and even then only a small proportion of the total land in each village — about 5 per cent on an average — was transferred. See 'The Myth of the Deccan Riots of 1875', *Modern Asian Studies,* 6:4, 1972, pp. 405–10. He fails to take into account the fact that it was often the most productive land which was lost, also that a lot more land was mortgaged. The amount of land owned by sahukars was in any case on the increase. As Charlesworth himself shows in another work, by 1911–1912, so called 'non-agriculturists' owned 15.1

The land acquired by the Baniyas tended to be the best and most productive in each village. According to one official: 'As a rule all garden land is practically in the possession of a few rich moneylenders...The original owners are merely tenants-at-will and are allowed out of the produce barely enough to keep soul and body together.'[115] If there were trees producing marketable fruits the sahukars might also accept a mortgage on the trees, and then be entitled to all of the fruits in season.[116] In the words of one report: 'In many villages, the Khedut [peasants] had been practically dispossessed for all time of the mango trees, which their labour and care had helped to rear up.'[117] The sahukars therefore controlled a growing proportion of the total output of each village.

On the whole, the sahukars allowed the original possessor of the land to continue to cultivate it. Most peasants considered it dishonourable to take land sold or mortgaged by a fellow villager, and it was often hard for the sahukar to find any alternative tenant.[118] For example, when Shivram Marwari gained ownership of some land in Kedgaon village of Pune district, he refused to let the original owners cultivate the land. He could not however find any tenants. The original owners told him that they would cultivate the land if he returned their debt-bonds to them. Shivram refused to do so, and the land was left lying waste. This was a costly process for the usurer, as he had to pay the land-tax on land which was bringing in no returns.[119] On the whole, sahukars accepted the original owners as tenants so as to prevent such friction. Thus, whether they sold

per cent of the land in Maharashtra. *Peasants and Imperial Rule,* p. 197. We do not, of course, know how many of these 'non-agriculturists' were Baniyas, but it is likely that a high proportion were. For a critique of Charlesworth, see Sumit Guha's review of the latter's work in *Indian Social amd Economic History Review,* 23:4, October–December 1986, and the introduction to my edited collection, *Peasant Resistance in India 1858–1914,* New Delhi, 1992, pp. 31–6.

115 Assistant collector, Sholapur district, 1876, quoted in *Report of the Commission appointed to Inquire into the Working of the Deccan Agriculturists' Relief Act, 1891–1892,* Calcutta, 1892, Appendix VI, p. CLVII.

116 *Settlement Report of the Kodinar Taluka, 1885,* BRO, Huzur Political Office, 263/37, p. 23; T.B. Naik and K.M. Bouraskar, 'Tribal Economic Organization and Market', *Bulletin of the Tribal Research and Training Institute, Chhindwara,* 4:2, 1964, .26.

117 *Redemption of Agricultural Indebtedness in Bhavnagar State,* Bombay, 1934, p. 19.

118 Woodward's report, 1883, BA, J.D. 1885, 65/1269.

119 *DRC,* Appendix C, pp. 37–8.

or mortgaged their land to sahukars, peasants became in effect share-cropping tenants on the land which had once been their own.

The British had hoped that the new system of property would inspire owners of capital to buy land and apply their money to the improvement of agriculture. The new Baniya landlords did not live up to expectations in this respect. They had no interest in trying to farm the land themselves with the help of hired labour. As a rule they visited the fields which were in their name only once or twice a year when the crops were harvested to collect their 'rent'. They were reluctant to invest in improving the land, for their client would then be in a position to earn a sufficient surplus to redeem the mortgage or buy back the land. On the contrary, they often went in for asset-stripping, for example, cutting down trees on the land and selling the timber. As one official said about the Marwaris: 'In Sholapur after the famine I frequently tried to argue with such men that it would be in their interest to spend money on the land, but never succeeded in persuading one.' He contrasted the Marwari and Gujarati sahukars in this respect with Maharashtrian Brahman and Kunbi usurers, who did not like to see fields going to ruin.[120] In this way, the quality of the land deteriorated, trapping the peasants still further in debt.

Local officials worked hand-in-glove with the sahukars in these respects. Evidence collected by a Commission of Enquiry in 1891–1892 showed that officials often registered mortgage deeds knowing full well that the procedure contravened the regulations. The Land Revenue Code even permitted tax-officials to help landlords recover their rent.[121] Baniya landlords could therefore get much of their work done for them by the state. A mamlatdar of Pune district even stated in 1891 that if a peasant failed to pay his rent to his sahukar, he would take it on himself to confiscate and sell the property to realize the rent.[122]

The adverse effect of colonial civil law on the peasants of British India was brought out very sharply by the contrast with adjoining

[120] E.C. Ozanne, quoted in *Report of the Commission Appointed to Inquire into the Working of the Deccan Agriculturists' Relief Act, 1891–1892,* Calcutta, 1892, pp. 70–1.

[121] Sumit Guha, 'The Land Market in Upland Maharashtra *c.* 1820–1960-II', *The Indian Economic and Social History Review,* 24:3, July–September 1987, p. 309.

[122] *Report of the Commission Appointed to Inquire into the Working of the Deccan Agriculturists' Relief Act, 1891–1892,* Calcutta, 1892, Appendix I, pp. I, III, XIII and XXV.

princely states in which these laws did not operate. For example, many parts of the western Deccan adjoined parts of Hyderabad state, where the courts were not allowed to order any sale of land for debt. As H.B. Boswell, collector of Ahmadnagar district, remarked with irony in 1874, this area was 'free from the blessings of our civil court', and as a result a good deal more prosperous.[123] He had visited two villages transferred from Hyderabad to the British in 1870–1871 in which the sahukars had very little land. The villagers told him that they feared for the future, as the courts would take their land and give it to their sahukars, and that 'they wanted to have nothing to do with our civil courts'.[124]

Similarly, the majority of states in Gujarat and Rajasthan did not allow the confiscation and sale of land for debt. In Marwar state, for example, it was possible for sahukars to take a mortgage on land, but they were obliged to allow the peasant who owned the land to continue cultivating it.[125] In some states, such as Kotah and Bhavnagar, even mortgaging was not permitted.[126] The major exceptions to this rule were Baroda and Mewar states. In Baroda a ryotwari-style settlement was imposed during the last two decades of the nineteenth century, allowing evictions and sales to be ordered by the civil courts. There were as a result many distress sales of land to sahukars during the great famine of 1899–1900.[127] In Mewar state, peasants could be forced to sell their land to sahukars in the *khalsa*, or government-controlled areas.[128] Most of the land in Mewar was not however in this category, being under jagirdars, and no such rule applied.

The contrast between British and princely areas was brought out starkly in the case of Ajmer-Merwara. When the British took over these two districts of Rajasthan in 1818, they found that land could

[123] H.B. Boswell, collector of Ahmadnagar, 28 August 1874, *DRC*, p. 226.

[124] Boswell, 20 July 1875, Collector's Report, Ahmadnagar district 1874–1875, BA, R.D. 1875, 3/971.

[125] Sukhdeo Prasad, *Famine Report, Marwar 1899–1900*, pp. 181–2.

[126] *Final Report of the Second Settlement of the Kotah State*, Kotah, 1909, p. 13; *Some Important Papers Relating to the Revision Settlement of the Mahals of the Northern Division, Bhavnagar State*, Bhavnagar, 1936, p. 7.

[127] Manilal Nanavati, *Report on the Agricultural Indebtedness in the Baroda State*, Baroda, 1913, Appendix VII, pp. 20–1.

[128] A. Wingate, *Settlement Report upon the Sadri Zillah of the Meywar State*, Bombay, 1889, p. 89.

be mortgaged, but that the peasant had the right to take back the land by repaying the debt, even if the mortgage had continued for centuries.[129] British civil law was extended to this area, allowing land to be sold for debt. There were few actual sales until 1877, when an order was put out that the government would not permit a sahukar to eject a peasant from mortgaged land without the sanction of the district commissioner. Immediately, the Baniyas began to demand that their clients convert their mortgages into sales. In one village investigated in 1896 it was found that between 1877 and 1896 $6\frac{1}{2}$ per cent of the village land had been 'sold' in this way to Baniyas. This was an important precipitating element in the rising against the Baniyas during the famine of 1891, which we shall examine in chapter twelve. In no other areas of Rajasthan was there any such revolt during that famine, and even in Ajmer-Merwara, the risings were confined to government-controlled villages. In the villages of the two districts still controlled by jagirdars — known locally as *istimrardars* — and where land could still not be sold for debt, there was also no rising at the time.

The Baniyas' manipulation of colonial civil law was a continuing subject of bitter complaint by the peasants. As some peasants of Thane district stated in 1840:

> Under the late Government [of the Peshwas], we suffered great oppression, but no one could sell our immoveable property or lands &c., and therefore we were able to endure the oppression both of the government and of the sahookar, as when lands and other immoveable property was secured to us, we never found difficulties in earning a livelihood. Under the present Government, by the sale of immoveable property we are reduced to a starving condition in the same manner as a tree when its roots are pulled out, dies.[130]

In another complaint, two peasants of Brahmangaon village of Ahmadnagar district stated in 1858:

> Trees planted and wells constructed in our Meerassee fields by our forefathers at the cost of thousands of rupees are by decree of the civil courts sold for trifling sums. Fields, cattle, cows, bullocks, buffaloes, horses and other means of livelihood are snatched from our hands, attached, and sold by

[129] Henry Hall, 'Sketch of Mhairwar from the Arrival of the British Authorities in Rajpootana in 1818 to 1834', NAI, F.D. 4 May 1835, 43–5 PC.

[130] Petition by peasants of Raighad, Rajpuri and Saukse talukas of Thana district, 27 July 1840, BA, R.D. 1840, 110/1194.

auction. A thing of 25 Rs worth is sold for 5 or 10 Rupees. Produce of our fields for which we toil and moil for twelve months of the year, is sold even after our paying the Government assessment, and nothing is left for our maintenance, but the only way of begging. In this manner the civil court exercises its tyranny over us and reduces us to beggary and want.[131]

Petitions such as these were shot through with a strong sense of moral outrage at the multiple injustices perpetrated by colonial 'justice'. The peasants were prepared to pay what they considered to be their just dues, but were outraged by the bare-faced swindling carried out with the support and connivance of the civil courts. Such a feeling was conveyed in a particularly pointed way in a poem written from the Punjab about the present era of the *Kaliyug*:

The people are very grieved to see unjust rulers,
Who make truth into a lie and take bribes,
and ill treat those who come to court (for justice!).
Such is the darkness of this latter time![132]

The moral outrage could be contained only up to a point. As a judge of Ahmadnagar said in 1875:

The deluded Kunbi is lulled into a false security by all sorts of faithless promises, until a couple of years afterwards, being dragged to court, he is unable to answer the claims, or if he states a defence, he is not in a position to prove it. His rage is impotent, and he returns home sore at heart, vowing vengeance which, on even slight provocation or occasion offered, he does not forego.[133]

The form this vengeance took is described in the next three chapters.

131 Petition of Ramji Ladji Patil Yettal and Nimbaji Rajaram Patil Yettal of Brahmangaon, Rahuri taluka, Ahmadnagar district, 23 December 1858, BA, R.D. 1859, 167/322.

132 *Punjab Notes and Queries*, 3:26, November 1885, p. 32.

133 M. Cursetji, Judge of Ahmadnagar, 29 September 1875, *DRC*, Appendix A., p. 266.

Chapter Ten

Revolt in the Deccan

On the afternoon of Wednesday, 12 May 1875, a thousand or more peasants gathered by pre-arrangement at the weekly market place, or haat, of Supe, a small town of Bhimthadi taluka of Pune district. They came from the twelve surrounding vadis — or hamlets — of Supe, as well as from the nearby villages of Kololi and Naroli. Although ostensibly they had come to buy at the market, their real intention was to force the Gujarati Baniya usurers of the town to hand over their accounts and debt bonds. A Kanbi peasant, perhaps reluctant to take such an action there and then, told the crowd that in four days time there was to be a marriage celebrated at one of the Baniyas' houses, and that they would then be able to loot all their jewellery and ornaments. The chief headman of Supe, the *mukhi patil*, who was a Kunbi called Latia Patil, said that this was not a good idea; if they waited so long the sahukars were sure to hear of the plan. In any case, loot was not what they were after. The general feeling was that it was best to take action that day.

By now the Baniyas had heard of what was up, and they sent a frantic message to the mukhi patil and police patil to come and protect them and send for help from the taluka headquarters. Both patils openly declared that they would neither inform the authorities nor protect the Baniyas. The deliberations continued as afternoon gave way to dusk. Eventually the most militant of the peasants, a Kunbi called Kushaba Chandgude, who had put on an especially large red turban for the occasion, told the people to follow him. About eight hundred marched behind him in a body towards the street of the Gujaratis. When the usurers heard them coming they hurridly locked their shops and took refuge in the house of a Brahman landlord. The peasants smashed the locks and crowded into the

empty houses, seizing books, bonds, grain, cloth and other produce. They carried all this out and down the street to the village square, where they piled it in a heap in front of the office of the government accountant. A torch was applied, and as darkness fell, a fierce glow illuminated the faces of the watching peasants. Hirachand Gujar's house also went up in a blaze. When eventually the fires died down late that night the peasants returned to their homes. The collector of Pune arrived three days later and reported that one house had been burnt and about a dozen others completely gutted of their contents. 'Account papers', he said, 'bonds, together with grain of different kinds, country cloth &c. were burnt in the streets where heaps of ashes were still to be seen.'[1]

Supe, which then had a population of 4541, was an important local market centre with a haat held each week on Wednesday. It was also a place of some religious significance, having the *dargah* of the Sufi *pir*, Shah Mansur Arif, at which there was a large *urs* each year. The pir was venerated by people throughout the region, Hindus as well as Muslims. The political life of the village was dominated by some Brahman landlords who had acquired land and power under the Peshwas. They let out their land to Kunbi and other peasants, and some were also involved in sahukari. The professional sahukars of the village were Gujarati Baniyas. There were over a dozen such families there. They lent money in the surrounding hamlets and villages, the peasants being deep in their debt. In the previous ten years there had been on an average between six and seven forced sales of land each year, which was much higher than the average sales for other villages of Bhimthadi taluka, where the average was about one sale a year between 1865 and 1875.[2]

The Gujarati Baniyas later accused the mukhi, Latia Patil, of being the ringleader in the whole affair. He had, they said, visited the surrounding vadis and villages and 'induced the inhabitants with his charming speech concerning their welfare to form a union, and to plunder us'.[3] This is not how things were remembered by the peasants. To this day they assert that Kushaba Chandgude started

[1] Collector of Pune district, 16 May 1875 and 25 May 1875, and petition by 13 sahukars of Supe, 23 September 1875, BA, J.D. 1875, 82/730; interview with Subedar Sopana Chandgude, Dandwadi, Supe, December 1988.

[2] *DRC*, Appendix C, pp. 217–23.

[3] Petition by 13 sahukars of Supe, 23 September 1875, BA, J.D. 82/730.

it all. Kushaba was from a vadi about three kilometres from Supe called Dandvadi. He owned one hundred and fifty acres of land, but it was barren and waterless, and he was not a prosperous man. He had not lost any land to the sahukars, but others of his lineage in Dandvadi had. He was, according to the oral tradition, a caring man, concerned and angered by the oppression of the Gujaratis. He and others felt that the oppression had become so great that they might soon be forced through poverty to leave their ancestral home. According to one story still recounted in Supe, the turning point came when Kushaba's sahukar told him: 'Pay your debts even if you have to sell your wife.' Kushaba took this as a slight on his honour, and immediately began to organize a rising against the sahukars. He went to all the other vadis of Supe, as well as to the neighbouring villages and told the peasants to gather at the haat the following Wednesday.[4]

The rising which occurred was the initial action in a revolt known as 'the Deccan riots'. It took place in an atmosphere of defiance against both government and sahukars which had been building to breaking point in the region for a number of years. Several historians have described how the Maharashtrian cotton-boom of the 1860s was followed by a slump in prices, which made it very hard for large numbers of peasants to repay debts which had accumulated freely while times were good. There were also a succession of bad harvests during the early 1870s.[5] This made it very hard for peasants to pay new, higher rates of land-tax which were introduced in many parts of Maharashtra in the early 1870s. The peasants were encouraged to take a stand by members of the Pune Sarvajanik Sabha who since 1872 had been touring the region, meeting peasants and collecting information about their conditions of life, including their indebtedness. Under the leadership of Ganesh Vasudev Joshi, these activists had evolved a populist approach to their work, mixing with the peasants, wearing simple clothes, and giving speeches in which they contrasted the fallen condition of the motherland under

[4] Interview with Lakshman Shivram Darekar in Supe and Subedar Sopana Chandgude in Dandvadi, December 1988.

[5] See Ravinder Kumar, *Western India in the Nineteenth Century*, pp. 165–84; Charlesworth, *Peasants and Imperial Rule*, pp. 135–8; I. Catanach, 'Agrarian Disturbance in Nineteenth-Century India', *Indian Economic and Social History Review*, 3:1, March 1966, p. 66.

colonial rule with the glorious past. Special songs, to be sung in *kirtan* gatherings, were composed to put across their message.[6]

In 1873–1874 large numbers of peasants of Pune and Sholapur districts refused to pay their land-tax, which had been enhanced that year.[7] In Indapur and Bhimthadi talukas of Pune district the movement was broken by government officials, who confiscated and auctioned the property and land of defaulting peasants.[8] Soon afterwards, however, the Bombay government agreed to some concessions, which led to tax rates being lowered in certain villages. The government also directed in early 1875 that if a peasant was unable to pay tax, officials would in the first instance confiscate and sell moveable property rather than land.[9]

Thereafter, the brunt of the peasants' anger shifted against the sahukars. One of the chief reasons why the peasants found it so difficult to pay the new rates of tax was that their sahukars had been refusing to provide adequate credit to do so. In the poor economic climate, the usurers were uncertain as to whether their loans would be repaid. The breaking-point came in early 1875 when the sahukars refused as a group to provide credit to the peasants to pay the second instalment of their land-tax.

In 1874 there had been yet another bad harvest, and even though the peasants had handed over a large proportion of their crops, the sahukars felt that the proceeds were hardly adequate for them to service their own advances from big urban bankers.[10] They were, therefore, very reluctant to pay the full land-tax which the government was demanding from the peasants, even though the peasants had handed over their crops on the assumption that they would do so.[11] The sahukars sought to bring pressure to bear on the government to remit a part of the tax demand for the 1874–1875 season. This

6 S.R. Mehrotra, 'The Poona Sarvajanik Sabha: The Early Phase (1870–1880)', *The Indian Economic and Social History Review*, 6:3, September 1969, pp. 301–8.

7 Collector's Report, Pune district, 1873–1874, BA, R.D. 1874, 8/1417; Ravinder Kumar, *Western India in the Nineteenth Century*, pp. 176–83.

8 Petition by ryots of Indapur, 15 February 1875, BA, R.D. 1875, 108.

9 Kumar, *Western India in the Nineteenth Century*, p. 183.

10 As some Baniya usurers of Supe village later said, they were at the time being troubled daily by their own sahukars from whom they had borrowed money. Petition by 13 sahukars of Supe, 23 September 1875, BA, J.D. 1875, 82/730.

11 Statement by the jagirdar of Akolner to the chief constable of Ahmednagar, 28 August 1875, *DRC*, Appendix C, p. 212.

they felt could be achieved by refusing to provide the necessary money to the peasants, which would cause large-scale tax defaulting.

They were encouraged to do this in part because of the government order, issued on 5 February 1875, that land would be confiscated for failure to pay taxes only as a last resort. Ian Catanach has argued that the threat of land confiscation provided the major motivation for usurers to pay their client's taxes, for they did not wish to see the land of the peasants — the chief security for their debts — confiscated and sold by the government. With the threat of land confiscation removed, the sahukars, he says, took a collective decision to refuse credit. They were not too concerned if the peasants as a result lost some of their moveable property.[12] This argument is perhaps overstated, for the sahukars were always able to manipulate government auctions to ensure that they gained full legal title to the land of their debtors. The order, however, made it less likely that land would be confiscated in the first instance, even though the threat to do so ultimately was still there. According to the assistant collector of Pune district, the sahukars knew well that the government could not confiscate and sell large amounts of the peasants' land, and they did not care very much if a few fields were sold so long as remissions were granted on the rest. He went on to say:

> The ryots...did not at all approve of this arrangement, each man fearing that he himself might be one among the small body of victims. Accordingly the ryots pressed the sowkars to pay the instalments and the refusal of the latter led to the disturbances which commenced in Bhimthadee and extended all around.[13]

Even then, the peasants might not have had the courage to take direct action without a belief, which was then current, that the government would be sympathetic to them. The rumour appears to have originated in the fact that in the previous year several officials had been investigating conditions of rural debt, in part because of the need to reply to allegations about usury made by the Pune Sarvajanik Sabha, and in part because details were being compiled for the series of district gazetteers for Bombay Presidency then being prepared. The enquiries had been sympathetic, and the peasants

[12] I. Catanach, 'Agrarian Disturbance in Nineteenth-Century India', *Indian Economic and Social History Review,* 3:1, March 1966, p. 69.

[13] Assistant Collector's Report, Pune district, 1874–1875, BA, R.D. 1875, 7/960.

understood that the government was planning a campaign against the usurers.[14] This belief became amplified through rumour to suggest that the government had given an order directing all bonds in the hands of the Baniyas to be destroyed.[15] According to the collector of Ahmadnagar, writing after the rising:

> In many cases the ryots evidently believed or half believed that Government had given an order for their bonds to be restored. They in some cases where they did not proceed to demand them appeared to be, or even stated that they were waiting till the Government order came before doing so.[16]

There was even a rumour circulating that a Marwari had pursued an Englishman who had borrowed money from him in a court of law, which had led to the attachment of the Englishman's hat and his wife's gown. Outraged, he had complained to the authorities, who then put out a circular that Marwaris should be plundered wherever they could be found.[17]

The revolt was preceded in several places by a social boycott of the sahukars. In Parner town of Ahmadnagar district, for example, the peasants had started boycotting and harassing the Marwari usurers from the beginning of 1875.[18] In Pimpalgaon village of Bhimthadi taluka, the people had for several months in early 1875 been throwing dead animals and excrement over the walls of the houses of the Baniya usurers.[19] Five days before the first outbreak, the people of the small town of Kalas and twelve adjoining villages in Indapur taluka of Pune district, drew up a *Sama Patra*, or 'Articles of Agreement', in which they set out the details of their boycott. No field of any 'Guzar' or 'other money-lending person' was to be cultivated by any tenant, and no man or woman was to enter into the service of a 'Guzar'. Anyone who broke this boycott would be denied the services of the village barber, washerman, carpenter,

14 I. Catanach, 'Agrarian Disturbance in Nineteenth-Century India', *Indian Economic and Social History Review,* 3:1, March 1966, p. 71 and ft. 27, p. 80.

15 District superintendent of police, Ahmadnagar, 29 May 1875, *DRC,* Appendix C, p. 8.

16 Collector of Ahmadnagar, 16 July 1875, BA, J.D. 1875, 82/730.

17 I. Catanach, 'Agrarian Disturbance in Nineteenth-Century India', *Indian Economic and Social History Review,* 3:1, March 1966, p. 70.

18 Evidence taken before the Commission in disturbed villages, *DRC,* Appendix C, p. 66.

19 District superintendent of police, Pune, 7 June 1875, *DRC,* Appendix C, p. 4.

blacksmith, shoemaker and other village servants. They would not be allowed to attend caste-dinners nor be allowed to intermarry within the comunity. 'Such persons should be considered an outcaste.' If the village headman continued to have dealings with the usurers, he would lose his hereditary position and no villagers would pay him any dues. The same applied to the village Brahman; if he sided with the sahukars he too would be boycotted and the peasants would engage another priest. If the headman and Brahman supported the boycott, the villagers would raise a subscription to compensate them.[20]

The first actual rising was, as we have seen, in Supe village of Bhimthadi taluka of eastern Pune district on 12 May.[21] Within twenty-four hours, the people of another small town, Kedgaon, twenty-two kilometres to the north of Supe, attempted a similar action against the largest of the Marwari usurers of the place. His house proved so strong that they failed to break in; instead they set fire to it and also burnt his haystacks.[22]

The sahukars of six other places of Bhimthadi taluka were attacked in the next few days, after which the revolt spread northwards in a fan-like direction into the three talukas immediately to the north and east, namely, Shirur in Pune district and Shrigonda and Karjat in Ahmadnagar district. Risings were reported from eight places in Shirur, eleven in Shrigonda, and three in Karjat. The first news which the collector of Ahmadnagar received about the revolt in Shrigonda came to him on 24 May, which suggests that the revolt was taken up there about a week and a half after the rising in Supe. Two days later, on the 26th, news came to the collector about similar risings in Parner taluka, which lies to the north of Shirur and Shrigonda, and due west of Ahmadnagar city. The revolt was particularly severe in this taluka and some adjoining places of

[20] Substance of a 'Sama Patra' made by the inhabitants of Kallas, dated Vaishak Shud 2, Shakey 1787 (7 May 1875), *DRC*, Appendix C, pp. 208–9.

[21] There is one piece of evidence to suggest that the first rising occurred elsewhere. A potter of Supe later told the authorities that they acted after news had come from Alegaon in Shirur taluka that the Baniyas had been attacked. Deposition of Tatya Salu of Supe, *DRC*, Appendix B, p. 3. However, the report of the rising in Alegaon says that the peasants threatened to treat the Baniyas there as the Baniyas of Supe had *already* been treated. District Superintendent of Police, Pune district, BA, J.D. 1875, 82/730. On balance, it is likely that Supe was the first place.

[22] Collector of Pune district, 16 May 1875, BA, J.D. 1875, 82/730.

Ahmadnagar taluka: in an area about forty kilometres east to west and twenty kilometres north to south there were risings in fourteen separate places. The revolt was spreading to the area north of Ahmadnagar by the end of May. While this was happening, revolts continued in Pune district, such as at Talegaon on 1 June. Peasants in other parts of Pune and Ahmadnagar districts, as well as in Sholapur, Satara and Nasik districts began to plan action against their sahukars. There were actual risings in some villages around Wai in Satara district and Igatpuri in Nasik district.[23] By the last week of May the revolt was therefore spreading rapidly through western Maharashtra.

Initially, the authorities had been caught by surprise and, unable to predict in which village the next rising would occur, were unable to take any effective counter-action. The number of police available to them was very limited; the collector of Ahmadnagar, for instance, complained that in the first instance he had only twenty-five police whom he could use to check the revolt.[24] Troops had to be mobilized from Pune and other places, which took several days. Two detachments of infantry and a troop of the Pune Horse arrived in the area in the last week of May and began scouring the villages, inspiring awe among the peasants and arresting anyone who could be implicated in the rising. In a few cases this was easy. In Ghospuri village of Parner taluka, for example, the police came the day after the peasants had burnt their sahukar's debt-bonds to find a large number sitting in dharna at the government office in the village. They were all arrested on the spot.[25] In most places, however, it proved difficult to identify the culprits, as the villagers refused to supply any incriminating evidence or give any names. Even the sahukars were often unwilling to give evidence against those whom they knew had participated in the attacks, lest they sour their relationships with their clients irredemably.[26] In many cases, only those who were found with stolen property could be arrested and tried. Severe sentences were awarded to those who were caught as a deterrent to others.[27] In all, 874 people were arrested in the two districts, of

[23] Managing Committee of Pune Sarvajanik Sabha, 28 June 1875, BA, J.D. 1875, 82/730.

[24] Collector's Report, Ahmadnagar district, 1874–1875, BA, J.D. 1875, 3/931.

[25] Evidence taken by the Commission in disturbed villages, *DRC*, Appendix C, p. 71.

[26] Collector of Pune district, 16 May 1875, BA, J.D. 1875, 82/730.

[27] Report by G. Norman, collector of Pune, 20 and 25 May 1875, BA, J.D. 1875, 82/730.

whom 338 had been convicted by mid-June and sent to jail.[28] Police posts were also established in the most militant villages to overawe the peasants. Through these punitive measures the authorities made it very clear that they would not, as many peasants had believed, tolerate such attacks. By the first week of June the rising had all but ended.

Without the check of strong police action, peasants would almost certainly have rebelled over a much wider area of Maharashtra. As the assistant collector for Satara district reported soon after:

> The feeling against the Goojeers is equally strong and had the riots not been promptly quelled at their outset in Poona it is very probable that the pent up animosity of the ryots against their creditors would have found vent in similar outrages in the Wai and other Talukas.[29]

The area of actual revolt covered a hundred kilometre-long belt running between Wai and Ahmadnagar city, extending very roughly about thirty to forty kilometres on each side of this belt. In the official reports, risings were reported from forty-eight different places within this area.[30] As in most cases the sahukars were located in small towns and large villages serving a number of vadis and villages round about, the attackers came from a much larger number of places. In Supe, as we have seen, the attack on the Baniyas was carried out by the peasants of twelve surrounding hamlets — which in many cases were two or three kilometres from the town centre and were in effect separate little villages — as well as the two neighbouring villages of Kololi and Naroli. Similarly, in Loni Bhapkar, to the south of Supe, the attack on the Marwari sahukars of the place was carried out by the people of the surrounding vadis, rather than by people of the village itself.[31] In Alegaon of Shirur taluka, about two hundred people were reported to have come from five surrounding villages.[32]

Attacks were planned in many other places, but had to be aborted when police reinforcements arrived to protect the usurers. Also,

[28] Memo by J.E. Oliphant, mid-June 1875, BA, J.D. 1875, 82/730.

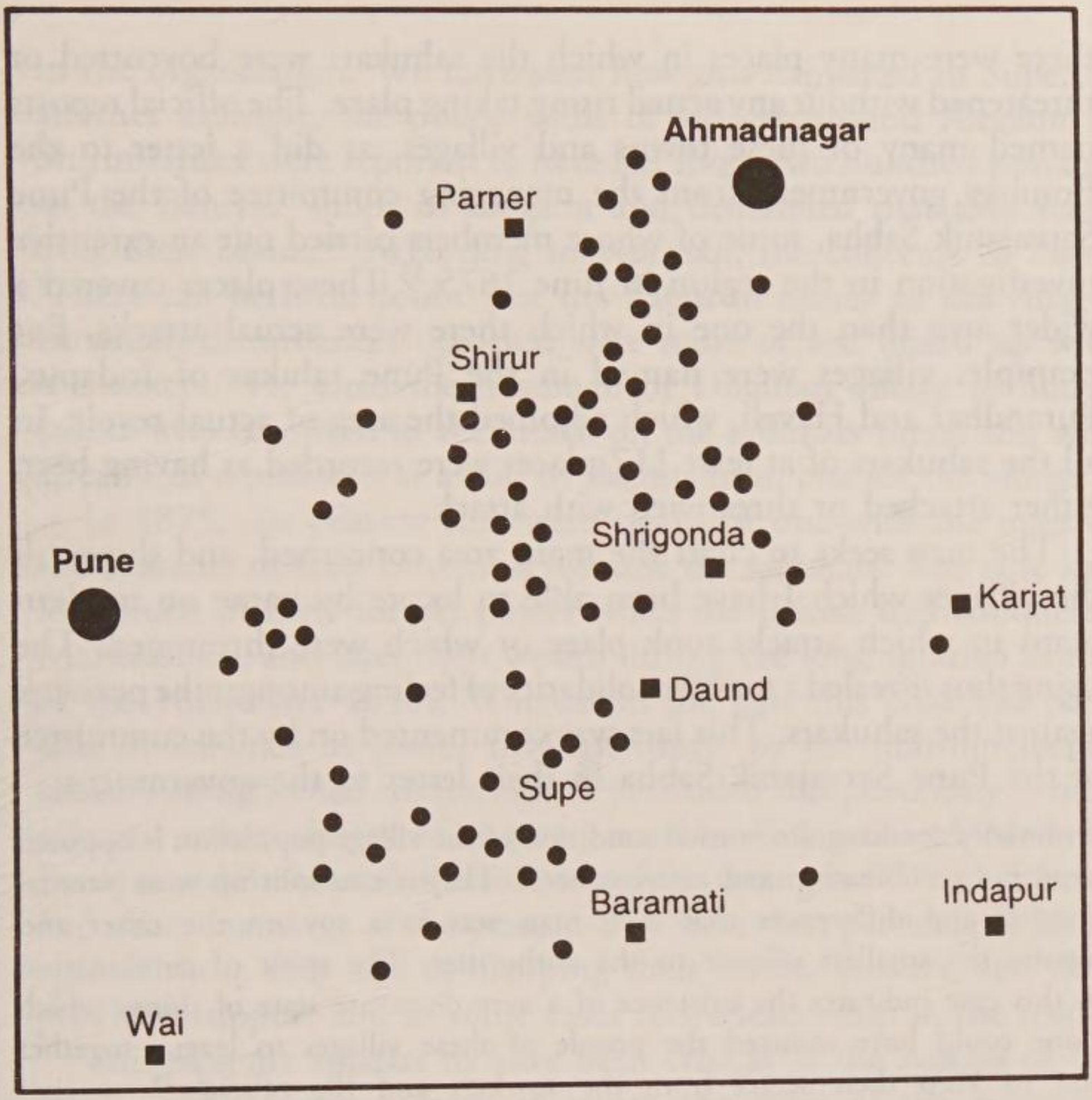
[29] Assistant Collector's Report, Satara district, 1873–1874, BA, R.D. 1875, 8/608.

[30] The report of the Deccan Riots Commission stated that there were risings in 33 places; however, reports by the district authorities and police held in the Bombay archives mention 48 places in all.

[31] Evidence taken by the Commission in different villages, *DRC*, Appendix C, p. 50.

[32] District superintendent of police, Pune district, 1 June 1875, BA, J.D. 1875, 82/730.

Map 2 : The Deccan Revolt of 1875



Scale

0 10 20 30 40 50

Km.

Area covered by map

● District headquarters

■ Taluka headquarters

● Villages in which there were risings against usurers or in which usurers were threatened with direct action in 1875 which it has been possible to locate by name from taluka maps in the 1981 district census reports.

Source : DRC ; BA , J.D. 1875 82/730.

there were many places in which the sahukars were boycotted or threatened without any actual rising taking place. The official reports named many of these towns and villages, as did a letter to the Bombay government from the managing committee of the Pune Sarvajanik Sabha, some of whose members carried out an extensive investigation in the region in June 1875.[33] These places covered a wider area than the one in which there were actual attacks. For example, villages were named in the Pune talukas of Indapur, Purandhar and Haveli, which adjoined the area of actual revolt. In all the sahukars of at least 117 places were recorded as having been either attacked or threatened with attack.

The map seeks to chart the main area concerned, and shows all the villages which I have been able to locate by name on modern maps in which attacks took place or which were threatened. The rising thus revealed a massive solidarity of feeling amongst the peasants against the sahukars. This fact was commented on by the committee of the Pune Sarvajanik Sabha in their letter to the government:

> Ordinarily speaking the normal condition of the village population is opposed to such a combination and active concert. They are so split up with internal quarrels and differences that each man acts as a spy on the other and reports the smallest offence to the authorities. The spirit of combination in this case indicates the existence of a very desperate state of things which alone could have induced the people of these villages to league together and to keep their secret from the sowkars and the officials.[34]

Solidarity was achieved in some instances through a collective oath. For example, in Kolgaon, the first place in Ahmadnagar district in which the people rose against the Baniyas, the peasants first assembled at the shrine to Maruti, where they took an oath of unity before the god. They vowed that they would force the Marwari usurers of this small town to hand over their bonds, to boycott them socially, to do no work for them, to drive them out of the place. After taking this vow they went to the shops of the Marwaris and forced them to hand over their bonds for destruction.[35]

Leading Marathas, including the village headmen, in most cases supported the attacks on the usurers, and in some cases even helped

[33] Managing committee of the Pune Sarvajanik Sabha, 28 June 1875, BA, J.D. 1875, 82/730.

[34] Managing committee of Pune Sarvajanik Sabha to Bombay government, 28 June 1875, BA, J.D. 1875, 82/730.

[35] *Gazetteers of Bombay Presidency*, vol. XVII, *Ahmadnagar*, Bombay, 1884, pp. 563–4.

in the organization. We have seen how this happened in Supe. In another example, the police patils of villages around Alegaon in Shirur taluka were reported to have led about two hundred peasants to the Baniyas' shops in Alegaon and demanded that they hand over their bonds.[36] According to Norman, the collector of Pune: 'There can be little doubt that the Patels in nearly all the villages in which disturbances occurred were more or less mixed up with the rioters.' He cited the headman of Dhamari village of Shirur taluka who connived in the attack on the sahukars there, and who afterwards reported it as a raid by dacoits from outside the village.[37]

In 1875, the peasant elite were clearly at one with the mass of the peasants in their bitterness towards the sahukars. The elite had lost much of their former power when the British had conquered Maharashtra, and later their wealth during the long agrarian slump of the 1820s and 1830s. Whereas in the past this class had been able to enhance its power through usury, by the mid-nineteenth century straightened circumstances precluded this possibility, which allowed other classes of usurers, notably Gujarati and Marwari Baniyas and Brahman kulkarnis, to tighten their grip.[38] The headman and other members of the peasant elite were thus particularly bitter against those they saw as usurping their former powers, and they provided support and in some cases active leadership in the revolt.

This support appears to have been critical to the success of the revolt, for in other regions in which the mass of the peasantry suffered similarly from the usury of their sahukars, but in which the peasant elite had not been alienated from the sahukars, there were no risings. For example, in Kheda district of Gujarat, the local Baniyas were every bit as exploitative in their dealings with the poorer peasantry as their counterparts in Maharashtra. According to the district collector, writing in 1874: 'In no part of India, I believe, are the moneylenders more grasping and more heartless than in Kaira [Kheda], *and the present state of the Kolis and poorer classes of Mussalmans in this collectorate is just now such as to cause me much anxiety.*'[39] As in Maharashtra, bitterness against the usurers

[36] District superintendent of police, Pune district, 1 June 1875, BA, J.D. 1875, 82/730.

[37] Collector of Pune, 13 July 1875, BA, J.D. 1875, 82/730.

[38] On this, see Charlesworth, *Peasants and Imperial Rule*, pp. 67–8.

[39] Collector's Report, Kheda district 1873–1874, *DRC*, Appendix A, p. 48. Emphasis in original.

increased during the early 1870s, as can be gauged by the number of attacks on sahukars contained in the police records. In 1870 there were five such attacks, in 1871 four, in 1872 ten, in 1873 fifteen, and in 1874 twenty-four, a total of fifty-eight. In the two districts of Pune and Ahmadnagar the corresponding figures were in 1870 eleven such attacks, in 1871 twenty, in 1872 five, in 1873 fourteen, and in 1874 forty-two, a total of ninety-two. During this period, in Kheda, eight sahukars were murdered and forty-four were assaulted, whereas in Pune and Ahmadnagar only three sahukars were murdered and thirty-two beaten up. However, whereas in the two Maharashtra districts there were between 1870 and 1874 eight cases of 'rioting' (e.g. a rising of the community) against sahukars, in Kheda not a single case was recorded in those years.[40]

What this revealed was that discontent against the sahukars in Kheda had not led to any revolts, only isolated acts of violence. Most of this violence was committed by the poorer communities which were most oppressed by the sahukars — the Koli and Muslim peasantry. Out of the fifteen cases in which the community of the person who attacked a sahukar was recorded, thirteen involved people from these two groups. Only one attack was by a member of the dominant community of the area, the Patidars. Although the Patidars were also in debt to sahukars, they were far less exploited. Many were in fact extremely rich and were themselves big usurers. In Kheda district, in contrast to the Deccan, British rule had not undermined the position of the dominant peasantry to anywhere near the same extent as in Maharashtra. The Patidar community as a whole had no strong grievances against the local Baniya sahukars, and as a result they were not only unwilling to provide leadership in any attack on the sahukars by the Koli and Muslim peasants, but on the contrary did their best to prevent any such uprisings. In such a situation, no united movement could develop. It is this which explains the absence of any rising in that district. The same did not apply in the Deccan, where dominant and subordinate peasants were united against the sahukars.

The revolt in the Deccan had two very specific objects: to destroy the debt bonds which the sahukars used as an instrument of oppression, and to frighten the usurers into acting less oppressively in future. If the sahukars were sufficiently overawed to hand over

[40] Offences against shahukars 1870–1875, *DRC*, Appendix C. pp. 19–34.

the debt-bonds promptly, they normally suffered no further harm. If they tried to resist the demand in any way they were likely to be beaten and have their shops-cum-houses looted. This looting was carried out not because the peasants wanted to enrich themselves, but because it was considered necessary to intimidate a haughty sahukar and thus cut down his power in the village. In no case was a usurer killed in such an attack and in only one case was the life of one threatened.[41] Once the bonds had been handed over or the sahukars' houses had been sacked the property of the sahukar was piled up and destroyed in a ceremonial manner. In the words of a Maratha from one of the small towns in which such action was taken, they made a 'Holi' of the books and papers. The Holi festival is, as is well known, inaugurated each year by a large bonfire.[42]

The large majority of the sahukars who were attacked or threatened with attack were Gujarati and Marwari Baniyas, even though a lot of usury was indulged in also by Maharashtrian Brahmans.[43] To a large extent this was because the Gujaratis and Marwaris were seen as being the most exploitative. For example, in Kedgaon of Bhimthadi taluka there were eleven sahukars in the village: six Marwaris, four Maharashtrian Brahmans and one Kunbi. The biggest of the sahukars was a Marwari called Shivram, whose family had been in the village for nine generations. The peasants of Kedgaon and its vadis owed him about Rs 18,000, and his business had a turnover of about Rs 25,000 per month. The next biggest sahukar was a Brahman kulkarni called Madhu, to whom the peasants owed about Rs 10,000. The peasants attacked only Shivram in May 1875 and burnt his house.[44]

Brahman sahukars who were seen as being particularly exploitative could also become a target of attack. For example, in Ghospuri of Parner taluka there were at the time two leading sahukars: Mulchand, a Gujarati Baniya, and Balkrishna, a Brahman kulkarni. The business

41 In this rather exceptional case a Marwari of Dhamari in Shirur taluka had his leg broken by a large stone thrown at him by someone in the crowd. He was then dragged inside the house, the door was shut, and the place was set on fire. He was however saved by some other peasants, who ran into the house from the back and pulled him out. District Superintendent of Police, Pune, 7 June 1875, *DRC*, Appendix C, p. 5.

42 Interview with Vinayakrao Auti, Parner, Ahmadnagar district, December 1988.

43 *DRC*, p. 5.

44 Evidence taken by the Commission in disturbed villages, *DRC*, Appendix C, pp. 37–9; Collector of Pune district, 16 May 1875, BA, J.D. 1875, 82/730.

of the latter had grown a good deal in the past six or seven years; by 1875 the peasants owed him in all about Rs 11,000. He was considered to be the chief oppressor, for when the peasants took direct action on 23 May they went first to his house. They found that Balkrishna was away in Ahmadnagar at the time, and his nephew, who was in his house, told them that there were no debt-bonds in the house. They left and proceeded to the house of Mulchand, who they found at home. He was beaten and his bonds seized and destroyed.[45]

In some cases the peasants hung back from attacking the Brahmans, even when they had been engaged in usury in a very oppressive way. In Pimpalgaon, for example, the chief sahukar was a Brahman called Keshav. The peasants determined to put a stop to what one of them called his *zoolami* ways, going in a body to his house and telling him that they would beat him if he did not hand over their bonds. When he refused to comply they backed down somewhat, saying that they did not mind handing over cattle and other possessions to repay their debts, but could not pay him cash, as he had been demanding. The usurer was adament that he would take only cash. They hesitated to launch an attack, and merely sat before the house. They police patil eventually came and told them to go home, which they did.[46] The peasants appear to have been overawed by the Brahman in a way they might not have been by a Baniya. There were however smaller Baniya usurers in Pimpalgaon who were not threatened in this way at the time.

Many sahukars fled their villages rather than face the wrath of the peasants, taking their account books and debt bonds. For example, all the Marwari sahukars of Karde village took refuge in the taluka headquarters town of Shirur as soon as they heard what was going on, except for one who believed that he would be safe as he was on such excellent terms with his clients. He was mistaken. On 25 May the peasants came to his house and forced him to hand over about two hundred bonds, which were then burnt in front of him.[47] In some cases, the peasants refused to allow the sahukars to leave. In Nhavara of Shirur taluka, for example, the people demanded

[45] Evidence taken by the Commission in disturbed villages, *DRC*, Appendix C, pp. 69–71.

[46] Depositions of Krishna Shitole, Vithu Gopal Thorat and Sahadu Sheti Shitole, all of Pimpalgaon, *DRC*, Appendix B, pp. 13–18.

[47] Collector of Pune district, 28 May 1875, BA, J.D. 1875, 82/730.

that the Marwaris hand over their bonds. When one of the Marwaris tried hurridly to load a cart with his books, bonds and grain, he was stopped by the people from doing so and told that neither he nor his family would be allowed to leave. At that point a detachment of the Pune Horse arrived in the village, preventing any violent action by the villagers.[48] In Rahu, by contrast, a Marwari who had fled the village after being threatened, returned a few days later with a cart to remove his property. The peasants refused to allow the cart to enter the village, and he was told that if he showed his face in the place he would be killed.[49]

By early June the attacks had been halted by the punitive action of the police and army, but the feeling of hostility continued. In Supe, for example, the peasants continued to boycott the Gujarati Baniyas, even though the police repression there was severe. A dead dog was thrown into the well from which they drew their water, and they were warned that what had been done to them up to then was nothing in comparison to what would befall them if they did not hand over all their remaining documents.[50] In Nimbut village, a Brahman usurer was ambushed in July 1875, and had his nose cut off.[51] The same happened in November, when a Brahman usurer of Supe went to the neighbouring village of Naroli to collect his dues and had his nose cut off by his debtors.[52] These actions suggest that the punitive actions had if anything caused an intensification of bitterness against sahukars, for during the rising itself not a single sahukar had lost his nose.

II

Neil Charlesworth has argued that the rising of 1875 was no more than a minor 'grain riot' of the sort with a long history in India and that it provided a 'safety valve for local tensions'.[53] He contends

[48] Collector of Pune district, 13 July 1875 and District Superintendent of Police, Pune, 1 June 1875, BA, J.D. 1875, 82/730.

[49] District superintendent of police, Pune, 7 June 1875, *DRC*, Appendix C, p. 4.

[50] Petition by 13 sahukars of Supe to government of Bombay, 23 September 1875, BA, J.D. 1875, 82/730.

[51] District superintendent of police, Pune, 24 November 1875, *DRC*, Appendix C, p. 6.

[52] Mamlatdar of Bhimthadi taluka, 22 November 1875, BA, J.D. 1875, 82/730.

that: 'In the end, the village community could show through force that it was bigger and stronger than the errant moneylender who offended its rules: and, in turn, this realization was a source of stability for the system.'[54] Furthermore, he maintains: 'All these aspects link the Deccan Riots with their equivalents in other less developed peasant societies, the 'grain riot' in medieval Europe or traditional China.'[55]

The rising of 1875 was not, however, a 'grain riot'; that is, an attack on hoarders of grain and profiteers during a year of food shortage. Such rioting did indeed occur widely in Europe and Asia, and the phenomenon has been studied by many historians.[56] Riots of this sort have not been examined much for the pre-colonial period in India, but there is evidence of their occurrence.[57] What would seem not only unlikely, but almost certainly impossible, before the nineteenth century, was action of the sort seen in 1875 which entailed attacks intended to destroy account books and debt-bonds held by sahukars. It was only because colonial law had made these documents into instruments of oppression of the most obvious kind that they formed the object of this attack. This was not therefore a 'traditional' form of 'riot' which stretched back over the centuries, but something which could only have occurred in India under colonial rule.

The first major revolt which took this new form was the Kol insurrection of 1831–1832 in eastern India, in which the papers, property and houses of sahukars were targeted by the rebels for destruction.[58] Two decades later, the Santal *hool*, or revolt, of 1855

[53] N. Charlesworth, *Peasants and Imperial Rule*, p. 108.

[54] Ibid., p. 99.

[55] Ibid., p. 9. In an earlier essay, Charlesworth took this logic to its extreme, labelling the revolt as a 'momentous...non-event' which received an unwarrented publicity from the colonial authorities. 'The Myth of the Deccan Riots of 1875', *Modern Asian Studies*, 6:4, October 1972, p. 417.

[56] For England, see E.P. Thompson, 'The Moral Economy of the English Crowd in the Eighteenth Century', *Past and Present*, 50, February 1971. For other parts of Europe, see Charles Tilly, 'Food Supply and Public Order in Modern Europe', in C. Tilly (ed.), *The Formation of National States in Western Europe*, Princeton, 1975, pp. 388–9. For pre-capitalist China, see R. Bin Wong, 'Food Riots in the Qing Dynasty', *Journal of Asian Studies*, 41:4, August 1982.

[57] See chapter twelve.

[58] J.C. Jha, *Kol Insurrection in Chota-Nagpur*, Calcutta, 1964.

included mass attacks on usurers, as did the wide-scale peasant uprising in the United Provinces during the revolt of 1857. As soon as British power was destroyed in western U.P. in 1857, large numbers of peasants took direct action against their sahukars, in some cases holding mock trials, after which their property was plundered and their debt-bonds destroyed. The revolt was described by the British as directed against both them and *Baniya ka raj*. In many cases the lead was taken by smaller peasants who had lost land to the Baniyas through the operations of the civil courts. Very few Baniyas were injured in these attacks.[59] Similarly, in the Baglan taluka of Nasik district in Maharashtra in 1868, there was a series of attacks on sahukars by peasants in which the chief motive was to destroy debt-bonds rather than to plunder. In only one case was a usurer killed.[60]

Although labelled by the colonial authorities at the time and by historians subsequently as 'riots', the rising in the Deccan was considered by the peasants to be a 'revolt', that is — in Marathi — a *band*. For example, after the revolt at Supe, Kushaba Chandgudi's vadi of Dandvadi became known for a time as *bandvadi* or 'hamlet of the revolt/rebels', in popular commemoration of his leading role in the rising.[61] By using this term, the peasants very consciously incorporated their uprising into a long tradition of *revolt* in Maharashtra. It is to the evolution of this tradition, seen most powerfully amongst the Mahadev Kolis of the region to the west of Pune and Ahmadnagar, that we shall now turn.

59 Eric Stokes, *The Present Armed: The Indian Rebellion of 1857*, Oxford, 1986, pp. 206–8; Gautam Bhadra, 'Four Rebels of Eighteen-Fifty-Seven', in R. Guha (ed.), *Subaltern Studies IV*, New Delhi, 1985, pp. 245–56.

60 *DRC*, Appendix B, p. 171; L.R. Ashburner, 24 July 1870, BA, R.D. 1878, 30/231.

61 Interview with Lakshman Shivram Darekar, Supe, December 1988.

Chapter Eleven

Resistance in the Sahyadris

According to a nineteenth century Marathi–English dictionary, band meant either insurrection, sedition, or an insurgent, a rebel. A *bandkhorvala* was a rebellious person.[1] Until the nineteenth century, the term appears to have been associated exclusively with revolts against the state or other ruling powers. Revolts by Brahmans, Marathas, Ramoshis, Mahadev Kolis and Bhils were all described as bands. Regions which were outside the control of the Maratha state were known as *bandi mulk*. The term evolved during the course of the nineteenth century, being associated increasingly with the activities of peasants rebelling against usury. In this chapter I shall trace the history of this change, focusing on revolts by members of the Mahadev Koli community.

The Mahadev Kolis were a subcaste of the much wider Koli caste, which was found mainly in Gujarat and the Konkan. The region inhabited by this particular subcaste stretched from Trimbak, near Nasik, in the north, to the mountains due west of Pune in the south, a distance as the crow flies of about two hundred kilometres. In this area the Sahyadri mountains reach their greatest height. Some Mahadev Kolis lived at the foot of the ghats in the coastal plains, but the majority were found on the eastern side of the scarp, where fast-flowing rivers ran eastward down deep valleys towards the Deccan plateau. In the nineteenth century their villages could be reached for the most part only by footpaths.[2] In most of the above-ghat villages they inhabited they made up the large majority of the population.

[1] Baba Padamji, *A Compendium of Molesworth's Marathi and English Dictionary*, Bombay, 1875, p. 380.

[2] H.F. Silcock, 11 May 1888, BA, R.D. 1888, 345/1813.

Between 1490 and 1636, when this region was under the nominal control of the kings of Ahmadnagar, the Kolis were left effectively independent. The Koli country was then known as the *Bavan Mavals*, or '52 valleys'. Each valley was controlled by a Koli chief, or *nayak*. The *sirnayak*, or head chief, lived at Junnar, and presided over the *gotarni*, or caste council. The community was both cohesive and independent.[3] When the Mughals conquered the region in the 1630s they attempted to measure the land and fix a land tax. The Kolis rebelled in protest against this. When Shivaji began his revolt in the following decade, the Kolis were amongst the first to join him under the leadership of the sirnayak, Khemi, and they played a leading role in helping Shivaji to consolidate his power. The Koli, Tanaji Malsure, is remembered in Maharashtra to this day for his courage in capturing the almost impregnable fort of Singhad for Shivaji.[4]

In the eighteenth century, under the Peshwas, Kolis fought in the Maratha army, enjoying a high reputation as mountain warriors. They did not, however, become a cavalry force and thus participate in the cavalry-led expansion of Maratha power into other regions of India. From the 1740s onwards, the Peshwas began to try to bring the Koli region under closer control by annexing various hill forts which had until then been controlled by the Kolis. These encroachments provoked a series of revolts. The Peshwas responded either by suppressing these bands, or, when this failed, appointing successful rebel leaders from amongst the Kolis as police officers responsible for maintaining law and order in the mountain valleys.[5]

Although the Kolis had a strong tradition of resistance to outside authority, with each nayak family commanding the support of large numbers of subordinate Kolis, the nayaks themselves were often divided against each other. This was because their desire for independence was balanced against their need for recognition by the state. Their local authority was based not only on their position in

3 *Gazetteer of the Bombay Presidency*, vol. XVII, *Ahmadnagar*, Bombay, 1884, pp. 195 and 208.

4 F. Bruce Robinson, 'Bandits and Rebellion in Nineteenth Century Western India', in Anand Yang (ed.), *Crime and Criminality in British India*, Tucson, 1985, p. 50.

5 *Gazetteer of the Bombay Presidency*, vol. XVII, *Ahmednagar*, pp. 404–6; Ghurye, *The Mahadev Kolis*, pp. 11–12; Frederick Bruce Robinson, 'Adaptation to Colonial Rule by the "Wild Tribes" of the Bombay Deccan, 1818–1880: From Political Competition to Social Banditry', unpublished Ph.D. thesis, University of Minnesota, 1978, pp. 229–33.

Koli society, but also on the official posts they held under the Peshwas.[6] A revolt represented a fracture of a temporary nature, the aim being to exert sufficient pressure to force the state to settle for better terms. The state could counter this by offering perquisites to other nayaks on condition that they help suppress the revolt. A rebel could in turn counter this by allying with rival contenders for power at the centre, such as claimants for the Peshwaship or Maratha warlords like Holkar. Because the struggle could go several ways, and because disruption in any case served their interests, the nayaks who had not joined the revolt would often provide secret support to the rebels while at the same time protesting their loyalty to the state. Conflicts thus gave rise to a complex range of loyalties.

In 1817–1818 the Kolis sided with the last Peshwa, Bajirao, against the British, helping him defend the mountain passes between Bombay and Pune.[7] After the Peshwa's final defeat and deposition in 1818, the British recognized the Koli nayaks as the local police, holding them responsible for maintaining law and order in the hills.[8] The nayaks of the Ramoshis, who controlled the mountain regions to the south, were treated similarly. The British also established a small force of regular uniformed police ('red-coats') who were recruited from all communities and who were based under their direct command in towns away from the hills. During the early years of British rule this force was far too small to exercise any significant control over the hills. In the 1840s, for instance, there were seventy-six such policemen responsible for the 347 mountain villages of Akola, Igatpuri, Nasik and Dindori talukas.[9]

Some nayaks who were not thus employed by the British attempted to redress the situation through the tradition of the band, which in this case meant revolting against and harassing the new rulers. They hoped that the British would appoint them as police officers to buy them off. Initially, this tactic met with some success. The Ramoshi nayak, Umiaji, who had been ignored by the British, went

[6] Ajay Skaria has noted a similar state of affairs among the Bhil chiefs of the Dangs. 'A Forest Polity in Western India: The Dangs 1800–1920s', unpublished Ph.D. thesis, University of Cambridge 1992, p. 116.

[7] Robinson, 'Adaptation to Colonial Rule', pp. 4 and 9.

[8] J.D. Inverarity, 5 November 1844, IOL, BJP 1844 P/403/36, no. 6593; W.J. Morris, 14 August 1845, IOL, BJP 1845 P/403/50, no. 8098; W.J. Morris, 19 January 1846, IOL, BJP 1846 P/403/57, no. 2241.

[9] C.E.F. Tytler to H.P. Malet, 10 January 1845, IOL, BJP 1845 P/403/38, no. 540.

into revolt in 1822. The British were unable to suppress his band, and eventually agreed in 1828 that if Umiaji would call off his revolt they would appoint him as the head police officer of Purandhar and Bhimthadi talukas of Pune district. When the Mahadev Kolis to the north heard about Umiaji's success, a series of revolts were launched by disaffected nayaks with a similar motive.[10] One of the principle figures in these revolts of the late 1820s was Rama Bhangare, who had fallen out with the British over the terms of his appointment as a police *jamadar*. He went into revolt in 1829, being joined by over five hundred dissidents, some of whom were Kolis who had either refused to serve under the British or who had been denied positions in the police.

This band was marked by a significant new feature — the rebels carried out a systematic attack on the sahukars of the Akola region. During the previous decade many Kolis had fallen deep in debt to the sahukars, who in that area were chiefly Marwaris and Gujaratis, and during the revolt they sought to wipe off these debts by destroying their account books and any other papers they could lay their hands on. According to the British officer who was in charge of suppressing the revolt:

> They would, if greatly exasperated, take the Bunniah and one or two inmates of the house to a thicket, and, pressing a naked sword to their throats, make a demand of fifty or a hundred rupees, and if any reluctance was shown they would wound slightly the Bunniah's ear, and thus induce him to make offer of all the ready money in his house.[11]

Baniyas throughout the region fled to the safety of the larger towns for the duration of the revolt.

The British realized, rather late, that their treatment of Umiaji had sent out the wrong signals, and they decided to suppress Rama Bhangare's revolt in an uncompromising manner. Large numbers of troops were sent into the area, and Rama Bhangare was soon captured, tried for treason and transported for life. The revolt continued for some time under the leadership of Rama Kirve, who with some two hundred rebels raided villages in the south and in the Konkan. They even attacked and plundered the government treasury at Junnar. The rising ended after Rama Kirve was captured

[10] Robinson, 'Adaptation to Colonial Rule', pp. 188–216.

[11] A. Mackintosh, 'An Account of the Tribe of Mhadeo Kolis', *Transactions of the Bombay Geographical Society*, vol. 1, 1836–38, pp. 234–5.

and executed in 1830.[12] Most of the Marwaris who had been attacked refused to come forward and provide evidence against their attackers. For them, the re-establishment of their business was a greater priority than any desire for vengeance.[13]

In this Koli revolt of 1829–1830 we see the beginning of a shift to a new form of band. The revolt had been launched to gain titles, land and positions from the state, as had been the case with previous bands, but one of the targets of attack — Baniya usurers — was new. To appreciate why they turned on the usurers at this particular juncture we need to examine the peasant economy of the Kolis at the time.

II

The mass of the Kolis were peasant farmers who lived by cultivating in the upper reaches of the valleys of the Sahyadris. They also kept cattle, which they grazed in the forests. They grew nagli, their chief subsistence crop, on the sides of the valleys, using shifting methods of cultivation. They constructed terraced fields on the floors of the valleys, irrigated by streams which ran off the mountains. In these fields they grew rice, most of which was sold. Their best quality rice enjoyed a high reputation amongst the elite of Pune and Ahmadnagar. In the eighteenth century, the Peshwas encouraged the extension of such agriculture through loans for the construction of new terraces and irrigation systems. The civil war in Maharashtra in the early nineteenth century led to a decline in demand for high quality rice and a drying up of assistance for such agriculture, and many of the terraces were washed away. The British, when they conquered the region in 1817, made no attempt to encourage or help the reconstruction of these field systems.[14]

[12] *Gazetteer of the Bombay Presidency*, vol. XVII, *Ahmadnagar*, p. 416; Mackintosh, 'Account of the Mhadeo Kolis', pp. 234–5; Robinson, 'Adaptation to Colonial Rule', pp. 236–46.

[13] Mackintosh, 'Account of the Mhadeo Kolis', pp. 234–5; *Gazetteer of the Bombay Presidency*, vol. XVII, *Ahmadnagar*, p. 416; Robinson, 'Bandits and Rebellion', p. 53.

[14] Mackintosh, 'Account of the Mhadeo Kolis', pp. 211–12. F.B. Robinson argues in 'Adaptation to Colonial Rule' on pp. 15–16 that the agriculture of the Kolis was always very 'primitive' with yields so low that they had to become warriors and looters so as to 'supplement the meagre fruits of their agricultural endeavours'. This appears to be based on observations of the economic state of the Kolis during the colonial period; the evidence from Mackintosh suggests that the condition of their agriculture was by no means so bad in the pre-colonial period.

During the early years of their rule in Maharashtra the British imposed large increases in land-tax. Hardly any money was set aside to fund agrarian improvements, which had been the practice of the Marathas in the eighteenth century. In 1821 agrarian prices collapsed, and continued depressed for the next three decades.[15] The class which benefitted most from this situation was that of the Baniya usurers. Traders-cum-usurers had for long been active in the region, buying fine rice and ghee from the Koli peasants, and providing credit in return. Under colonial rule the Koli peasants became increasingly dependent on the usurers for the cash needed to pay the high rates of land-tax which were being demanded by the British. In return, the sahukars appropriated more and more of the Koli's produce. The high profits so earned encouraged many Marwari and Gujarati Baniyas to set up shop in the towns and villages of the region. In Rajur, for instance, there were by the 1830s four households of Gujarati Baniyas who lent money in thirty-six surrounding villages. They provided loans on favourable terms to the Koli nayaks, and in return enjoyed the protection of the *nayakwari* police. The sahukars also used the new civil courts to harass the peasants, threatening to take out a case if they did not hand over the large bulk of their produce at each harvest. Within little more than a decade of the establishment of British rule, the majority of Koli peasants had been pauperized by the usurers.[16]

Many Kolis who joined the band of 1828–1830, which was led initially by Rama Bhangare, did so not because they wanted posts in the police or other perquisites, but because they saw this as the only way in which they could obtain money to pay off their debts to the Baniyas. Their chief aim was therefore to appropriate cash and valuables from monied people of any class. When they had the chance, they also attacked the Baniyas directly, destroying their account books and any other papers they could lay their hands on. This was a new feature of the Koli band. After this, the Baniyas of the region got into the habit of keeping duplicate sets of accounts with partners elsewhere.[17]

[15] For details, see Sumit Guha, *The Agrarian Economy of the Bombay Deccan 1818–1941*, New Delhi, 1985, pp. 17–26.

[16] Mackintosh, 'Account of the Mhadeo Kolis', pp. 232–5.

[17] Ibid., pp. 234–5.

III

A decade after this revolt had been suppressed, Rama Bhangare's son led an even greater band, directed more strongly against the usurers. Raghu Bhangare was about ten years old when his father rebelled against the British and was subsequently transported for life. Raghu was allowed in time to succeed to the patilship of Devgaon, but he was not granted his father's old post of jamadar of police. The post was given instead to a Brahman called Amratrao Bhatt. Raghu's family appears to have had to live modestly at the time, surviving mainly through cultivation. In the early 1840s Raghu shared a small house in Devgaon with his mother, wife and brother.

In October 1843 Amratrao Bhatt came with a party of police to this house, caught Raghu and the others in his family, and tortured them. According to a statement made later by Raghu, they 'applied cupping horns to the breasts of women and the testicles of men'.[18] The reason for this action was that Amratrao suspected Raghu of being involved in a raid on a village in the Konkan. Amratrao was accompanied by Abaji Bamble, a Koli nayak. Raghu later described both Abaji and Amritrao as 'my enemies' — suggesting that the enmity was longstanding.[19] Raghu was arrested, taken to Rajur, and locked up there. That night his mother brought him a bowl of food, in which a knife appears to have been concealed.[20] Raghu cut the leather cords binding him and escaped. The chief nayak, Javji Bamble — a cousin of Raghu — was in overall command of the guard, and seems to have connived in his escape.[21]

During the next two months, Raghu visited villages around Rajur, recruiting men to take part in a rising. The recruits were mostly Kolis, though Devji of Devgaon village was a Mahar, and another recruit called Gangaji was a Thakur. In common with Raghu, most appear to have been in their twenties and married with families.[22]

[18] Petition by Raghu Bhangare to the governor of Bombay, December 1844, IOL, BJP 1845 P/403/38, no. 79.

[19] Ibid.

[20] Testimony of Vithu Patel of Devgaon (Akola), no date, but probably 1844, IOL, BJP 1946 P/403/57, no. 2244.

[21] J.S. Law, 11 March 1844, IOL, BJP 1844 P/403/29, no. 1963. Javji Bamble was the son of Tuljabai, the sister of Raghu's father, Rama Bhangare. Robinson thesis, p. 283.

[22] For instance, the average age of some members of the allied band led by Bapu Bhangare who were captured in 1844 was nearly 26. The youngest was 20, the eldest 40. Proceedings

They were thus rooted within their communities. They were armed with swords, iron-tipped staves, bows and arrows, and a few muskets.

Raghu's chief aims initially were to revenge himself on the nayak who had betrayed him and regain the position of jamadar which his family had held in his father's time.[23] To finance his revolt he began, however, by attacking the Marwaris. In January 1844 he and his band went to Sonamba village, beat the Marwari of the place senseless, robbed his property and set his house on fire.[24] In February, Raghu and about thirty followers descended the ghat to the Konkan, attacking and looting sahukars and village headmen. They returned to the above-ghat region at the end of April, and in May attacked and robbed villages in Akola, Igatpuri and Khed talukas. In July they captured three policemen at Chichondi village of Akola taluka, took them into the forest and killed them in cold blood. In September they ambushed a party of eleven policemen near Bhimashankar, which was at the top of the ghat in Ambegaon taluka. Because of the heavy monsoon rain, the police were unable to fire their matchlocks, and eight were killed and three captured. Raghu released them, saying: 'Go and ask the Saheb why he sends black people after me, let him send white people, when I will kill them and hang their caps on the trees of the Ran Mulla Jungle.'[25] Others were inspired by Raghu's success to form their own bands.

To begin with, the attacks on the Marwaris and other sahukars were almost certainly carried out for loot to finance the revolt rather than because Raghu himself had any particular enmity against the usurers as a class. It was, however, clear that such attacks were very popular amongst the mass of peasants who were suffering from the exploitation of these usurers. For example, when Raghu and his

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against 22 Koli prisoners, no date, but around June 1844, IOL, BJP 1844 P/403/34, no. 5584.

[23] So he said in a petition to the Governor of Bombay in December 1844, in which he asked for the jamadarship to be given to his brother Ravji. IOL, BJP 1845 P/403/38, no. 79.

[24] Deposition of Dhundi Sable, 14 November 1844, IOL, BJP 1844 P/403/36, no. 7167; Depositions of Kavaji Bhangare and Gyaniram Marwari, February 1848, IOL, BJP 1848 P/403/30, no. 2012 B.

[25] Testimony of Nana Sawant, one of the policemen who was released by Raghu, in proceedings against Raghu Bhangare, February 1848. IOL, BJP 1848 P/404/30, no. 2009.

band raided Saralambe village of Shahpur taluka in the Konkan in March 1844, they were welcomed into the village by the watchman and headman, and given food. Raghu took pains to explain that he and his men had come only to rob the usurers and burn their books, not to cause any trouble to the peasants. Both the watchman and the headman were in debt to the two Baniyas and were in sympathy with him in this. They then led Raghu and his followers to the houses of the two Baniyas. They beat up the Baniyas, cut off their noses and burnt their account books and houses.[26] In another case, a Baniya managed to flee before Raghu and his band reached their village, but the headman himself led the outlaws to the place where the Baniya was hiding.[27]

By late 1844 Raghu had taken it upon himself to act as a spokesman for the peasants against the usurers. In a letter to the collector of Ahmadnagar in late 1844 he gave voice to the prevailing feelings about the Baniyas and their tool, the civil courts: 'The Ryots are greatly distressed by the court and harassed by the Wanees and as I have dealt with them, therefore so I will deal with you...'[28] Raghu was also reported to have once issued a threat to the British that as the Baniyas took too much interest on their loans, 'if the Sahib did not make some arrangement in the matter, he would cut off the Banians' noses'.[29]

The mode of attack which proved particularly popular with the peasants was to humiliate the usurers in public — by giving them a thrashing or by cutting off the tips of their noses. The latter was a common form of punishment in Maharashtrian society. According to Mountstuart Elphinstone, writing about the government of the Peshwas: 'Mutilation was very common, and the person who had his hand, foot, ears or nose cut off, was turned loose as soon as the sentence was executed and left to his fate.'[30] In colonial times,

[26] Lieutenant Mellersh, 25 April 1844, IOL, BJP 1844 P/403/30, no. 2612.

[27] John Liddell, 1 February 1845, IOL, BJP 1845 P/403/39, no. 1427.

[28] Raghu Bhangare to H.A. Harrison, no date, but received 23 November 1844, IOL, BJP 1844 P/403/36, no. 6951.

[29] Raghu told a soldier whom he met by chance to convey this threat to his superiors. Robinson, 'Adaptation to Colonial Rule', p. 321.

[30] M. Elphinstone, 'Report on the Territories Conquered from the Peshwa', in G.W. Forest (ed.), *Selections from the Minutes and Other Official Writings of the Honourable Mountstuart Elphinstone*, London, 1884, p. 311.

it was a form of punishment used in Jawhar state, which was ruled by a Mahadev Koli chief.[31]

In a feudal-patriarchal society honouring and dishonouring was associated with actions applied to the body. Honour was given by conferring items of dress, such as a shawl or turban. Dishonour was conferred through bodily humiliation, such as enforced grovelling, thrashing, perhaps with a shoe, or, as a more permanent sign of shame, through mutilation. The nose, in particular, was seen as the seat of a person's honour, one term for dishonouring persons being 'to cut their nose'. A woman who committed a supposed sexual transgression often had her nose cut in this way. A British judge who tried some members of the band in 1845 commented on this practice in a manner which revealed his own feudal-patriarchal sentiments in the matter:

> Mutilation by cutting off the lower part of the nose has certainly been a characteristic of the dealings of the bunds which have lately harassed this part of the country; but this particular kind of mutilation is common, and is the usual mode of revenge of an injured husband upon an unfaithful wife and judging from the healthy appearance of all the mutilated persons who have lately come before this court, as well as of the wives who have from time to time testified against their husbands, it is intended to cause mental rather than bodily pain; and in the case of erring wives to destroy the temptation to seducers.[32]

By so directing his attack on the body of the Baniyas, cutting off the tips of their noses and in some cases ears as well, Raghu won widespread support for his band from large numbers of peasants who derived great satisfaction from seeing the hated usurers thus shamed. Raghu quickly became the terror of the Marwari and Gujarati usurers. This he achieved with what appears to have been a relatively sparing use of violence.

In his campaign in the Konkan in 1844–1845 Raghu is recorded as having looted the houses of five Baniyas, two of whom had their noses and ears cut off and one of whom was killed. In the latter case there was a rivalry between the Baniya, a Marwari, and a local Koli who had joined up with Raghu temporarily. This man had encouraged Raghu to attack the village, and he and not Raghu put

31 *Gazetteers of the Bombay Presidency*, vol. XIII, *Thana*, Bombay, 1882, p. 707.

32 Proceedings before John Warden, sessions judge, Pune, 9 September 1845, IOL, BJP P/403/51, no. 8581.

the Marwari to death.[33] In May 1844 Raghu seized four Baniyas of Ghurad in Khed taluka of Pune district, later releasing them — no doubt after they had paid ransoms. In February 1845 he cut off the nose and ear and severely wounded a Baniya of Mutkhal village of Akola. In the latter case, the villagers had given information to the British about his movements, and the attack was in revenge. No other attacks on Baniyas which were specifically by Raghu and his band are mentioned in the records. This may have been due to some under-reporting. It seems, however, that after the first attacks, the Baniyas fled from the villages and small towns, taking refuge in the larger towns of the region for the duration of the revolt. As a result, there were few left to loot, beat up or mutilate.

Raghu received support, shelter and sustenance from the mass of the peasants throughout his revolt. Stores of grain were left by villagers in the forest for the use of the gang. Whenever they were in need, Raghu had only to send a couple of members of his gang into a village, meet the headman, after which food would be collected from house to house and carried by the villagers to the gang's hiding place nearby. In one case reported by the British, some peasants provided daily supplies to the gang in this manner, while a party of police searching for Raghu was stationed in the next village, entirely ignorant of what was happening.[34] In another case, a patil of a village in the Konkan welcomed the outlaws to his village, 'not only feasting them but actually furnishing them with warlike weapons'.[35] Villagers used to help the rebels also by helping them carry their equipment from village to village while in their area.[36] They also passed on information about police movements so as to allow them to escape.

It was reported in May 1844 that in nearly all cases of robbery by the rebels there was collusion between the residents of the village and the outlaws.[37] When the houses of usurers were about to be set alight, the outlaws would go around the village telling the people to watch their own houses to prevent them from catching

[33] Proceeding before I.S. Law, 2 and 3 February 1848, IOL, BJP 1848 P/404/29.

[34] C. Giberne to H.A. Harrison, 19 August 1844, IOL, BJP 1844 P/403/34, no. 5129; W.R. Simpson to G.I. Blane, 6 April 1845, IOL, BJP 1845 P/403/46, no. 5291.

[35] F. Gordon to R. Travers, 24 February 1845, IOL, BJP 1845 P/403/40, no. 1840.

[36] D. Costello, 18 March 1845, IOL, BJP 1845 P/403/40, no. 2226.

[37] F.G. Fraser to I. Holland, 28 May 1844, IOL, BJP 1844 P/403/32, no. 3954.

fire.[38] Often, the peasants actively encouraged the bands to carry out such attacks. For example, in April 1844, a Koli of the Konkan persuaded Raghu to come with his band to raid a village close to his own. He wanted to revenge himself on a local usurer who had bought up the liquor rights for the area and refused to allow any Kolis to run liquor shops.[39]

The peasants did not support Raghu and the other bands lightly. They fed them from their often meagre stocks of grain and, in addition, handed over to them considerable sums of money in tribute. They also opened themselves to possible retribution by the British, for in providing food and shelter to the rebels they were considered to be 'aiding treason and rebellion'. Many villagers were convicted on this charge during the course of the revolt and sent to jail.

The support for Raghu came not only from his own caste of Mahadev Kolis, but from the other major peasant castes of the ghat region, the Thakurs. This community took a collective oath never to give any information about Raghu to the authorities, or to give him up.[40] In the words of Morris, commander of the Khandesh Bhil Corps: '...I can safely state that on no similar duty have I met so confirmed a combination against our endeavours as exists in both the Cooly and Takoor population.'[41] Solidarity in the revolt stretched, therefore, beyond ties of caste alone.

The strength of this solidarity explains another feature of the revolt, which was the high degree of support it received from the Koli nayaks. In the past, the state had been able to undermine bands by dividing the nayaks against each other either by threatening them with loss of perquisites or by promising rewards. In late 1844 the British tried to intimidate them by arresting and jailing the chief nayak, Javji Bamble. This had no effect, and the nayaks remained solidly behind Raghu. Even the nayak who had betrayed Raghu to the police in 1843 gave him full support in 1844–1845.[42] The

[38] I.S. Law, 11 March 1844, IOL, BJP 1844 P/403/29, no. 1963.

[39] Depostion of Bhagwan Bhangsali, 2 February 1848, IOL, BJP 1848 P/404/29.

[40] W.R. Simpson to G.I. Blane, 6 April 1845, IOL, BJP 1845 P/403/46, no. 5291; W.J. Morris, 4 June 1845, IOL, BJP 1845 P/403/44, no. 4548.

[41] W.J. Morris to the collector of Thana, 21 June 1845, IOL, BJP 1845 P/403/47, no. 5566.

[42] Deposition of Gangaji Patil, no date, IOL, BJP 1846 P/403/57, no. 2249.

sheer popularity of the revolt meant that the nayaks had to continue to back it if they were to maintain their authority over the peasants.

They therefore went out of their way to help Raghu. They advised him on whom to target in his raids.[43] One nayak is recorded as having accompanied Raghu on a raid in which a village was burnt. He went, so it was said, to see 'the tamasha'.[44] They also helped Raghu to avoid the police. They either prevented messages about Raghu's whereabouts from reaching the authorities or delayed them, giving Raghu time to escape.[45] Raghu was as a result able to shelter for months in the area under the jurisdiction of the nayaks without being captured.

In March 1845 the government mounted a determined operation against the bands of Raghu and other Kolis. The police were reinforced with troops of the regular army and a contingent of the Khandesh Bhil Corps. The latter were known as experienced mountain troops, a foe far more formidable to the rebels than the demoralized and corrupt regular police. Large numbers of Kolis of the above-ghat villages who were suspected of helping the bands were called into Rajur and ordered to give active help to the authorities, while their families were detained as so-called 'security' to ensure that they carried out this task. The people were forced to abandon their villages at the time when they should have been busy preparing their fields for the first rains. The conditions in the detention centres were moreover notoriously bad: the people suffered from malnourishment and there were deaths from cholera. This intolerable situation forced many to give information about the hiding places of the rebels.[46] By 21 June 1845 around a hundred and fifty outlaws had been either captured or killed, amongst whom were some of Raghu's closest companions. Although this brought an effective end to the revolt, Raghu himself continued to be sheltered by his people, including the nayaks. In December W.J. Morris tried to force a Koli

[43] For instance, Raghu was told by them in March 1844 that Rs 14,000 was lying in the treasury at Akola, and he was encouraged to plunder it. He did not on this occasion take the advice. Ravji Bhangare (Raghu's brother), quoted in C. Giberne to H.A. Harrison, 5 October 1844, IOL, BJP 1844 P/403/35, no. 6062.

[44] *Tamasha* was a form of popular drama, but the term also means a show, sport or fun. J.D. Inverarity, 5 November 1844, IOL, BJP 1844 P/403/36, no. 6593.

[45] For an example, see F.G. Fraser, 11 May 1844, IOL, BJP 1844 P/403/32, no. 3954.

[46] W.R. Simpson to J.W. Langford, 24 September 1845, IOL, BJP 1845 P/403/49, no. 7759.

of Akola taluka whom he knew was sheltering Raghu to lead him to the hiding place. The Koli took Morris' party up a precipitous mountain, and at the top flung himself over a cliff, preferring death to an act of betrayal which would have been a lasting stigma on him and his entire family.[47]

Raghu then fled north to Malwa, in central India, and wandered from place to place as far as Bhopal. He disguised himself as a gosai, or holy man, with long unkempt hair and beard, and lived in a temple for a time. In September 1847 he returned to his home country and tried to raise another band. In November he was almost caught near his village of Devgaon, and other members of the new gang were arrested immediately afterwards. Having failed in this endeavour, Raghu decided to go on a pilgrimage to Pandarpur. The authorities were tipped off about this, and Raghu was arrested just as he entered the town. He was tried in April 1848 on a charge of treason, sentenced to death and hanged soon after.[48]

Raghu's revolt marked a transition. In the pre-colonial period the band had represented an assertion of power by a particular family of nayaks and their followers. There was a powerful solidarity within the revolt, but the Koli community as a whole tended to be divided. Raghu's revolt grew in part from such politics; his chief personal ambition was to avenge himself on his enemies, one of whom was a Koli nayak, and to regain his family's lost jamadarship. These, however, were not concerns that resonated amongst the mass of the peasants of the Sahyadris. Their chief problem was the exploitation they suffered at the hands of Baniya usurers. When Raghu attacked members of this class, shaming them by cutting off their noses, he struck a popular chord. A solidarity was forged which cut across the old divisions. In the process, a new paradigm was established for the institution of the band. It was no longer a contest over state power; it now entailed above all a revolt against usury.

[47] W.J. Morris to J.W. Langford, 13 December 1845, IOL, BJP 1846 P/403/54.

[48] I.S. Gell to C.D. Mylne, 10 January 1848, IOL, BJP 1848 P/404/28, no. 928; Proceedings before I.S. Gell, 11 January 1848 and before I.S, Law, collector of Thane, 3 February 1848, IOL, BJP 1848 P/404/29, no. 1567; I.S. Law, 15 April 1848, IOL, BJP 1848 P/404/31, no. 3122A; trial of Raghu Bhangria, 14 April 1848, and petition by Raghojee Bangria to the governor of Bombay, 15 April 1848, IOL, BJP 1848 P/404/32, nos. 3125 and 3145.

IV

Raghu was dead, but resistance continued. The next major band was led by Honiya Kengle between 1872 and 1876. Although sometimes described in the records as 'Honya Naik', Honiya was not a member of a family of Koli nayaks, but an ordinary cultivating Koli. His revolt was not — as with Raghu's — driven by any desire for an elite position.

Honiya was a Mahadev Koli of Jhambori village, located high in the mountains due west of Ahmadnagar, near the Shaivite pilgrimage place of Bhimashankar. The year 1871 had been a very poor one, but in 1872 the monsoon was good, and the Marwaris demanded that the peasants hand over a much larger proportion of their crop than usual to make up for the shortfall of the previous year. Cases were taken out in the civil courts, and bailiffs visited the mountain villages, snatching away pots and pans, agricultural implements, livestock, even the peasants' clothing. It was against this background of resentment that Honiya Kengle recruited a group of about fifteen followers. They came from villages around Jhambori, which is in Ambegaon taluka of Pune district, as well as from villages of the taluka to the north, Junnar.[49]

Their first raid, in 1872, was on a Marwari called Hatichand Rupchand who carried on his business in Shervihire village, which lay to the north in Akola taluka. They caught hold of him and three other Marwaris who were with him at the time and cut off the tips of their noses with their swords. They looted the house, making a bonfire of the account books and debt bonds. They then burnt the house down. They left the village with an estimated Rs 422 worth of the Baniya's property.[50] Later in the year they raided some other villages in this region to obtain supplies, and looted one other Marwari, Mangal Kasturchand of Mutkhel, a village near the highest mountain of the Sahyadris, Kalsubai.

Honiya and his men left Akola in early 1873 and nothing more was heard of them by the authorities until after the monsoon of that year. When they reappeared they were in military-style red

[49] List of gang members in Proclamation of Rewards for Capture, by J.E. Oliphant, collector of Pune district, March 1874, BA, J.D. 1874, 52/353.

[50] A.B. Portman, district superintendent of police, Pune district, 3 March 1876, BA, J.D. 1876, 501876.

coats and turbans — in imitation of police uniforms — and were armed with guns, swords and sticks. They carried out a series of raids on villages in Ambegaon and the takuka to the south, Khed. On 7 January 1874 they ambushed a Marwari who was carrying some grain from the mountain village of Pokhari to his base at Shinoli, a village in the valley of the Ghod river. They cut off his nose, hamstrung his horse, and relieved him of the grain he was carrying as well as about Rs 200 in cash.

Less than a month later, on 2 February 1874, Honiya led an attack on a family of Brahman usurers of Parale, a village on the Bhim river in Khed taluka. One of the usurers managed to flee, but his two brothers were caught and tied up with their dhotis. They were taken with some other villagers into the forest nearby and beaten with threats that they would lose their noses if they did not disclose where their valuables were hidden. One of the Brahmans then showed them where cash and ornaments, which were being held as security for debts, were hidden away. In all, they found valuables worth Rs 2800. Honiya had the Brahmans beaten some more and then ordered them to be released with their noses intact. 'They are only bhats [e.g. Brahmans]', he said,'let them go.' As Brahmans, they were not considered to deserve the punishment handed out to Baniya usurers as a matter of routine — a mentality also seen in the revolt against the usurers in Pune and Ahmadnagar districts in 1875, described in the previous chapter. As they left the village, Honiya announced: '...this is the bund of me Honiya. Tell the sirkar I plundered your village.'[51]

Honiya used the word band to both describe his gang as well as denote the nature of the attack. His intention was to claim that he and his gang were motivated by a sense of duty towards the peasant community. In this, the activity was distinguished from that of the *daku*, or dacoit, who was seen to be involved in illegal activities primarily for his own gain, and who did not enjoy popular support.[52] In English, we may say that the contrast was between

[51] Case against Honiya and four others at Pune, October 1876; depositions of Ramchandra Vishwanath, moneylender of Parale, his brother Lakshman Ganesh, and Rakhma Raghu, peasant of Parale, BA, J.D. 1876, 50/1876.

[52] In 1991, while visiting Honiya's village of Jhambori, I heard an interchange between some Mahadev Kolis and a bus driver who was a Maratha from outside the area. When the former talked about what they called *bandkaris*, the latter asserted in an aggressive manner that they were just bad people — dakus.

the 'social bandit', as defined by Eric Hobsbawm, and the mere 'robber' or 'thief' who belonged to a professional underworld.[53]

The social nature of Honiya's revolt was recognized by a British official who was at the time trying to suppress the band. The revolt was, he argued:

> ... essentially, the rebellion of a race against our system of civil procedure; and Honya Naik is a national hero and a champion. The demands of dacoits and outlaws for provisions are readily complied with; and information to the authorities is either not given at all; or when the patels well know it is too late to be of any use ... If the villagers did not support and cherish the outlaws the latter could not keep the jungles a week; and if they would give information; sooner or later the gang must be hunted down. As it is; I really see no prospect whatever of their capture; & any one acquainted with the labyrinth of cliffs and forests which they have made the scene of their action; must know that they might at any time camp within a mile of Colonel Scott or myself [without capture]...[54]

Village patils supplied food to Honiya and his band, and many were suspended from duty for failing to pass on information about the outlaw to the authorities.[55] The Koli nayaks also shielded Honiya from the regular police.[56]

After Honiya attacked the sahukars of Shinoli and Parale on 7 January and 2 February 1894, he carried out another such attack on 9 February, this time on two sahukars in a village below the ghats in Thane district. The band arrived to find one of the sahukars entertaining the village talati — or government accountant — on the veranda of his house. They tied up the two men and plundered the house. Guided by some sympathetic villagers, they found a recess in the wall which contained Rs 1800 worth of cash and jewellery belonging to the sahukar and Rs 168 in government money collected by the talati in land-tax which the sahukar was keeping for safety. They then went to the house of the other sahukar and took money and clothing worth Rs 500.[57]

[53] E.J. Hobsbawm, *Bandits,* Harmondsworth, 1972, pp. 17–18.

[54] The page in the archives is torn at the end of this quote — I have added the words in square brackets to provide the probable words. W.F. Sinclair, Assistant Collector, Pune district, 4 April 1874, BA, J.D. 1874 52/353.

[55] S. Scott, 13 August and 15 September 1874, BA, J.D. 1874, 52/353.

[56] W.A. Wiley, district superintendent, Nasik district, 15 June 1874, BA, J.D. 1874, 52/353.

[57] L.G. Coles, district superintendent of police, Thane district, 15 February 1874, BA, J.D. 1874, 52/353.

After this, many sahukars of the region removed themselves to the safety of the towns. There, besides having some safety in numbers, they were able to hire squads of Sindi, Arab and Pathan mercenaries to guard them from possible attacks. They remained there while Honiya was at large.[58] Other bands were formed, causing further terror to sahukars and petty officials throughout the region. Some of them used Honiya's name to instil fear when they attacked a village. One of these other bands even killed a Marwari at Kiwale in Khed taluka, something that Honiya and his own band never did.[59]

Although by the beginning of April 1874 the police had arrested forty-seven so-called 'dacoits', they had to admit that not one of these men was a member of Honiya's band.[60] During that month the governor of Bombay appointed Stanley Scott, a police officer, to head a body of a hundred and fifty policemen whose only task was to hunt down Honiya's band. Scott had power to fine the people of any village he suspected of sheltering the outlaws. The land and property of Honiya and his followers was confiscated.[61] In early June, two members of the band were captured after being betrayed by a Koli who, in return, asked to have his son's ten-year jail sentence for dacoity — given in 1874 — reduced.[62] Scott had no more success until after the monsoon, when a member of the band was caught and handed over to the police by some peasants after he raped a woman of their village.[63] In December 1874 Scott relinquished his post and sailed for England on furlough without having caught any more members of the band.

Throughout 1875 Honiya continued to raid villages whenever he needed provisions or funds. Such raids were reported from the talukas of Mawal, Khed and Ambegaon in Pune district, and Igatpuri in Nasik district. These included a couple of attacks on usurers. In October 1875, the band seized three Marwaris who had remained in Vashere village of Khed taluka, cut off their noses and set fire

58 W.F. Sinclair, 4 April 1874, BA, J.D. 1874, 52/353; Oliphant, police commissioner; Southern Division, 4 April 1876, BA, J.D. 1876, 50/1876.

59 S. Scott, 22 July 1874, BA, J.D. 1874, 52/353; A.B. Portman, 3 March 1876, 50/1876.

60 S. Scott, 2 April 1874, BA, J.D. 1874, 52/353.

61 Resolution of Governor in Council, 27 April 1874, BA, J.D. 1874, 52/353.

62 S. Scott, 15 June 1874, ibid.

63 S. Scott, 15 September 1874, ibid.

to their houses. In the following month they robbed three Marwaris and a patil of Shive in the same taluka.[64]

In April 1876 the district superintendent of police for Pune district reported that the Baniyas of the region were still being kept in check by the band, being forced to 'circumscribe the field of their extortions'. After describing some of their 'extortions' he went on to say:

> The gang consists scarcely of more than 7 members, all of them utterly unknown beyond the narrow limits of their native district. All of them could live and work in the next taluk without much risk of detection. When hard pressed by the police they are said to hide their arms in the jungle, and quietly go on to Tanna and Bombay to work as coolies. The chief cause which operates in forming such gangs of outlaws in the Koli Districts is to my mind the extortions of the Banias protected by our Civil Courts. When a man has been stripped of all he possesses, and besides smarts under a sense of injustice suffered, he is in the very mood to become a recruit of a gang... I am not surprised that 6 Banias have lost their noses and ears by the outlaws, but rather that so many noses are left amongst them.[65]

In July, the police captured a member of Honiya's band called Khema Savle, who agreed to turn informer if pardoned. In August he sent word to the police that Honiya was hiding in a house that belonged to a Koli in a grove near Nadgaon in the Karjat taluka of Thane district. The police came to the house while he slept on the night of 14–15 August and captured him and one other member of the band after a brief struggle. The two outlaws were taken to Pune jail. The rest of the band reformed under Honiya's chief lieutenant, Dadu Date, who was of Nanavade, a village near Honiya's in Ambegaon taluka. Ten days later, Khema Savle led them to the banks of a river in Thane district where the outlaws were camping. After the police fired at their sentry they plunged into the river, swollen by the monsoon rains, and escaped, leaving behind their muskets, swords, blankets and clothing. Over the next few months, some other members of the band were captured, but Dadu Date

[64] Elliot, collector of Nasik district, 17 December 1875, W.H. Wilson, district superintendent of police, Nasik, 17 December 1875, and A.B. Portman, 3 March 1876, BA, J.D. 1876, 50/1876.

[65] G. Giertzen, 18 April 1876, ibid.

remained at large until November 1877. Khema Savle received his pardon.[66]

Honiya was tried in Pune in October 1876 on a charge of dacoity and being part of a dacoit gang. The trial was by jury, which proved something of a mistake for the British, for Honiya was celebrated by many in the city as a hero who had made fools of the police over a period of four years. Honiya denied any guilt, saying that he had been in hiding when captured because the police had shot his cousin and he was afraid that they might shoot him too. When asked why he had been carrying a gun at the time, he said that he was a shikari and once killed a tiger and sold the skin. The jury returned a majority verdict of not guilty. The judge, W.H. Newnham, refused to accept this result as the evidence against Honiya was, he said, clear and deserving of a sentence of transportation for life. He ordered that Honiya be kept in custody and referred the case to the high court in Bombay.[67] The case was heard here two months later, and Honiya received the sentence recommended by Newnham.

V

Central to the Koli revolts were notions of a patriarchal honour violated and a patriarchal honour restored. Raghu Bhangare's revolt arose in the first instance from a slight to his honour, though it came not from a Baniya but from the police. The police had tortured his mother, Ramayi, when he was first captured, and later had imprisoned her. Subsequently, she was entirely supportive of her son in his revolt, helping him to escape from the police by concealing a knife in his food, and later when he was on the run, sending money to those who were sheltering and feeding him.[68] In turn, Raghu sent his followers to kill the policeman who had tortured her, thus redeeming her and the honour of the family. The strength of this bond between the mother and son at a time of hardship and suffering comes through the account of the revolt in a powerful manner.

66 H. Daniell, 18 August 1876 and 1 September 1876, ibid; H. Daniell, 10 February 1877 and Frank Yates, 17 November 1877, BA, J.D., 62/124.

67 Case against Honiya Kengle, October 1876, BA, J.D. 1876, 50/1876.

68 Statement of Mahadev Patil of Tale, June 1844, IOL, BJP 1844 P/403/34, no. 5584.

The peasants were moved by sentiments which were rooted firmly in notions of what was considered honourable behaviour. Peasant honour was, as argued in chapter five, rooted in the family and the community. An honourable household was one which could assert for itself an inalienable right to the use of community land. From this flowed wealth, which enabled a family to maintain an honourable standard of living within the community, which did not, ideally, involve having to labour for others, and which made possible the lavish celebration of festivals and marriages, and the observance of appropriate funerary rites. In each household, members were expected to conform to particular standards of behaviour differentiated according to gender and age. A household which enjoyed a good reputation in this respect was considered in the community an honourable one.

Very important in this respect was the honour a mother of good blood bestowed on a son through giving birth, and the duty of the son thereafter to protect the honour of his mother. As the words of a popular Maharashtrian song put it: 'One can pay back the father's debt by making the holy pilgrimage to Banaras, but one can never hope to pay off the debt of gratitude to the mother.'[69] Raghu Bhangare clearly believed that he was from a family of superior blood and honour, and he saw it as his patriarchal duty to avenge the insult to his mother by having the person who had assaulted her put to death.

Elizabeth Fox-Genovese has written:

> Gender relations constitute the foundations of any society and lie at the core of any individual's sense of self, for gender relations map the most fundamental relations between any individual and the other members of society. We do not experience our gender in the abstract, but in relation to others:- to be a woman is to be a woman in relation to men. Just as societies have characteristic social relations, so they have characteristic gender relations. Societies have also tended to promote distinct roles for women and men. Those gender roles constitute the activities through which women and men are encouraged to contribute to the collectivity and in which they are encouraged to find their identities — their deepest sense of who they are.[70]

[69] Song from Ahmadnagar district, in Irawati Karve, *Kinship Organization in India*, Bombay, 1965, p. 206.

[70] Elizabeth Fox-Genovese, *Within the Plantation Household: Black and White Women of the Old South*, Chapel Hill, 1988, p. 29.

By rebelling as he did, and by extending her support to her son as she did, Raghu and Ramayi each gave full expression to their sense of who they were and in the process provided a model for honourable behaviour appropriate to each gender which other Kolis might aspire to.

Raghu, like all the Koli outlaws, was a very masculine hero, renowned in popular legend for his great strength. He was, according to a story I was told in one mountain village of the region, so strong that he could defeat even ten to twelve people in a hand-to-hand conflict.[71] Even his victims respected him for his 'honourable' male bearing. A Baniya who was attacked by the band in April 1844 described Raghu as a man of fine and superior presence. During the raid he ordered his followers to 'seize, strike, wound'.[72] Others mentioned his stout bearing, his air of authority, his intimidating manner, his fierce temper. When angered on one occasion by a question from a member of his band, he turned in a rage and slashed him on the thigh with his sword.[73] On another occasion, when Raghu suspected a band member of treachery, he himself killed the man by cutting off his head with his sword.[74] These qualities of fierceness and quickness of temper were commonly associated with men of honour. Although his dress, in common with other members of his band does not appear to have been particularly striking, consisting of a drab dark red shirt and turban and a white *dhoti*, he carried accoutrements which made him stand out as a leader, such as a striking handkerchief — which was described by some as 'English', others as 'Karnatak' — and a sword with a silver-plated handle. The British, by contrast, who sought to deny him the status he claimed, described him at the time of his capture as 'a small slight man'.[75]

Women, by contrast, were expected to behave as good mothers and wives, nurturers of the masculine heroes. Ramayi Bhangare,

[71] Interview with Javji Soma Kengle, Chandav Krishna Pardhi, Govind Maruti Sable at Machchiwadi hamlet of Jhambhori, Ambegaon taluka, Pune district, September 1991.

[72] Deposition of Bhagwan Bhangsali, 2 February 1848, IOL, BJP 1848 P/404/29.

[73] The man had asked him where he had been hiding while on the run in 1846 and 1847. I.S. Gell to C.D. Mylne, 27 November 1847, IOL, BJP 1848 P/404/27, no. 288.

[74] Deposition of Bhavanji Ranaji, no date, but probably early 1848, IOL, BJP 1848 P/404/30, no. 2012.

[75] I.S. Gell to C.D. Mylne, 10 January 1848, IOL, BJP 1848 P/404/28, no. 928.

above all, was celebrated for this quality. Koli women were expected to shelter the outlaws and ensure that stores of food were available for their use.[76] They were also expected to encourage their husbands or sons to join the rebels if they were in a position to do so. A case is recorded in which a Koli of Akola taluka was given a sword by his mother and told to join Bapu Bhangare's band. He obeyed her command.[77]

The position of Koli women both during the revolt and afterwards was a particularly vulnerable one. During the revolt their houses were raided and plundered by the police, often leaving them destitute. They were abused by the police sexually and they were likely to be dragged off to detention centres in the towns, where many died of cholera. In August 1845, some Koli women who had been thus detained complained to the collector of Ahmednagar:

> For the last 6 or 8 weeks we have been brought to Kusba Rajoor and put into confinement. Our husbands have been despatched by Government to seize the rebels. There is no one at our houses to bring us food, our cattle wander in the jungles and several of them have died. There is no one to take care of them. Our fields are lying uncultivated. We have nothing to eat here. We have no grain at our houses. We are obliged to remain without food some times for a day and some times for two days. We get no Batha [rations] from Government. Several of us died of the cholera which lately broke out here. Although Government cares for the protection of its ryuts, we have been greatly oppressed. We do not think that our imprisonment will lead to the apprehension of the rebels. If Government is aware of an instance in which rebels have been seized through the medium of women, we beg that we may be imprisoned in Ahmednuggar and be allowed Batha. If Government is tired of us women and children, we beg that we may all be removed to Ahmednuggar and be hanged there. But we do not wish to be kept here. We are poor women and we pray your Honor in Council to have compassion upon us and to issue such orders as may be deemed proper.[78]

After the revolt was over, the property of many of the outlaws who were caught and jailed was ordered to be confiscated by the courts. Although by law a portion of this property was meant to

[76] F.G. Fraser to I. Holland, 28 May 1844, IOL, BJP 1844 P/403/32, no. 3954.

[77] Statement of Mahadev Patil of Tale, June 1844, IOL, BJP 1844 P/403/34, no. 5584.

[78] Full text (in translation) of the petition by the wives of certain Kolis suspected of assisting Raghoo Bungrie's gang, no date, received 9 August 1845, IOL, BJP 1845 P/403/49, no. 7757.

be set aside for the maintenance of the family of the convict, in practice the police often took everything. For example, in June 1846 the police came to confiscate the property of Kima Gauli, a convicted Koli outlaw of Ambedara village of Ambegaon taluka. They made a careful inventory of the meagre belongings of his family, consisting of three cows, a bedcover, a woman's dress, a copper pot, an iron pan, a *koita* (machete), two implements for cutting grass, one and three-quarter maunds of nagli and half a maund of rice. They took all this away and sold it, realizing a total of Rs 14.8.7, from which they deducted Rs 0.2.6 for their expenses.[79] The families of captured outlaws were thus stripped not only of their means of livelihood and subsistence, but even their bedding and clothes. If they owned land, it was also likely to be taken. The misery caused to these families could not have been greater.

The Koli women thus suffered much, and they, unlike the men, did not have recourse to becoming outlaws themselves. The records do not mention any women being active members of bands. It was generally considered that such a life was not one suitable for a woman of honour. It was only when the male rebels went underground and were in hiding that their wives or lovers sometimes went to be with them.[80] In situations of danger, however, the men would flee, allowing the women to be captured. Thus, an outlaw sheltering with his two wives deep in the forest in May 1845, ran off as soon as he heard a dog bark, taking his gun, but leaving his wives to be taken by the police.[81] It was considered the duty of an honourable woman to accept such misfortune for the good of the cause.

Just as the patriarch and man of honour sought to defend the women of his family from the assaults of rivals, so it was common for rivals to seek to shame a family by raping, torturing or killing women members. In March 1845, for example, one of the Koli bands murdered a man in the Konkan and cut off the noses of his wife and brother.[82] In May 1844, Bapu's band 'committed violence on the women' of three villages in the Konkan.[83] A Koli band

79 *Yad* from Police Amildar of Khed pargana, 5 June 1846, IOL, BJP 1846 P/404/10, no. 463.

80 I.S. Gell to C.D. Mylne, 27 November 1847, IOL, BJP 1848 P/404/27, no. 288.

81 R. Travers to Scott, 17 May 1845, IOL, BJP 1845 P/403/43, no. 4136.

82 I.S. Law to W.H. Harrison, 25 April 1845, IOL, BJP 1845 P/403/43, no. 4066.

83 Proceedings against Bapu Bhangare and others, no date, but 1844, IOL, BJP 1844 P/403/34,

whose leader was unknown is recorded as having 'much annoyed the women' of a patil's family in the Konkan in December 1844.[84] This probably involved sexual abuse, if not rape. In February 1845 another unnamed band was feasted by a patil of a village in the Konkan and allowed by him to take away the wives of two Kolis who were serving in the much-hated regular police. They took them into the forest, where they were kept all night and 'grossly ill used' and 'outraged' — which must have meant raped.[85] One of the members of Honiya Kengle's band called Hari Rama Joshi was known as 'a ravisher of women of all castes'. Going by his name, he was a Brahman — the only non-Koli known to have been in Honiya's band. His life as an outlaw came to an end after he raped a Koli woman and was later caught and handed over to the police by her husband.[86]

There is no evidence that Raghu Bhangare or Honiya Kengle were themselves rapists, although Honiya appears to have tolerated Hari Rama Joshi and perhaps other rapists as a member of his band.[87] Raghu Bhangare seems to have had a reputation for refusing to stoop to such practices. Even when he had Baniya or other women in his power when he raided a village, he hardly ever laid a finger on them. The only exception which appears in the records was when he seized the two wives of a village patil of the Konkan, and tortured them by setting fire to their hair, so as to force them to reveal where the family wealth was hidden. They were not raped.[88] In a song about Raghu Bhangare which is sung to this day in the villages of the region, Raghu is represented as having rebuffed the advances of a woman called Chimayi, who tempted him with garlands of wild jasmine. Chimayi, whose name does not appear in any of the records, was depicted as a seductress-figure of a sort commonly found in popular legends attempting to seduce a male hero. The assumption in the song is that Raghu resisted such temptation.[89]

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no. 5584.

[84] Petition by vakils of Murbad, 6 December 1844, IOL, BJP 1856 P/403/38, no. 113.

[85] F. Gordon to R. Travers, 24 February 1845, IOL, BJP 1845 P/403/40, no. 1840.

[86] S. Scott, 15 September 1874, BA, J.D. 1874, 52/353.

[87] One report described a rape of a woman carried out by an unnamed member of Honiya's band in April 1874. This could have referred to Hari Rama Joshi, as he was still at large, but there is no means of knowing. A.B. Portman, 3 March 1876, BA, J.D. 1876, 50/1876.

[88] I.S. Law, 11 March 1844, IOL, BJP 1844 P/403/29, no. 1963.

[89] The song was sung to me by Venubai Bhalchin of Machchiwadi hamlet of Jambhori

His sexual restraint seems to have enhanced his reputation for honourable behaviour.

As defenders of the family and community honour, the leaders of bands were expected, however, to punish sexual transgression from within the family or community.[90] Thus, in March 1845, a Koli whose wife had fallen in love with another man asked his brother, a member of one of the bands, to take suitable action. He caught the two lovers and cut off their noses.[91] Around the same time, Raghu had a member of his own band put to death along with a woman who was with him. The reason was not stated, but a violation of the code of community honour seems to have been the likely cause.[92] Raghu's patriarchal defence of the honour of the women of his community thus gave rise, conversely, to a ruthless punishment of women who were seen to bring shame to the community.

VI

Similar considerations of honour informed the revolt against usury. The oppression practised by the Baniyas was experienced by the peasants not merely as an economic threat to their means of subsistence, but also as an attack on their whole way of life and, above all, their patriarchal honour. In shaming them by cutting off their noises, the peasants sought to restore the balance of honour in their favour.

One Baniya practice perceived as being deeply shaming by the peasants was their use of the women members of client families. This had a long history. Irfan Habib has described how in medieval times Baniyas often demanded that male clients pledge their wives and children as a surety for their debt. If the debt was not paid, the wives and children could be seized and made to work as servants in the house of the Baniya.[93] To be forced to hand over family

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village of Ambegaon taluka, Pune district in September 1991. I am grateful to Indra Munshi Saldhana for helping me with a rough initial translation, and to Padma Anagol for a full translation made later from my tape recording.

90 This came out clearly in the interviews I conducted in the region in September 1991.

91 J. Liddell to J.D. Inverarity, 4 April 1985, IOL, BJP 1845 P/403/41, no. 2859 B.

92 W.R. Simpson to G.I. Blane, 6 April 1845, IOL, BJP 1845 P/403/46, no. 5291.

93 I. Habib, 'Usury in Medieval India', pp. 397–8 and 415.

members in this manner was seen by all as extremely shaming, for it was known that sexual advantage would almost certainly be taken of the women by the usurer. In this respect, Baniya males had a bad reputation for licentiousness.[94] A usurer who felt attracted by the wife or daughter of one of his clients might well use this means to get her into his power. By the nineteenth century, personal family surety of this type was no longer so common, although the theme of a wife being sent to the Baniya's house as a pledge or as a form of repayment of debt often recurred in popular literature.[95] More common in the nineteenth century was the practice of demanding that the women of a client household come to work as maidservants. Once in the house, they were helpless against the Baniya's advances. That this was a strong grievance was shown by the document setting out the terms of the boycott of the sahukars of Kalas in Indapur taluka in May 1875, which stated explicitly that no woman of the village was to be sent to the houses of the Gujarati Baniyas to grind corn or perform any other services.[96]

For most peasants, the need for credit was paramount, and they had little choice but to accept such practices and bear the resulting shame. But some refused to do so. For example, Ishwardas was a Baniya sahukar of Mahij village in Ahmedabad district of Gujarat who used to lend on an extensive scale to the Patidars of this village as well as the surrounding villages. He visited his clients' houses in these villages on the pretext of demanding repayment for his loans, and, when this was not forthcoming, used his power to seduce the women of the household. His downfall came in 1855 after he forced a Patidar woman who was related to the village headman of Mahij to have intercourse with him. The headman could not tolerate this insult to his honour, and he, along with the headman of one of the neighbouring villages went to the Baniya's house and killed him.[97] In a similar case, seventy years later, a Marwari of Parner in Ahmadnagar district called Premraj, who forced female clients

[94] For example, the well-known Gujarati poet, Samal Bhatt (1659–1759), mercilessly exposed such vices amongst the Baniyas of his day. See. M.R. Majumdar, *Cultural History of Gujarat,* Bombay, 1965, p. 191.

[95] For example, see Hiralal Maheshwari, *History of Rajasthani Literature,* Delhi, 1980, p. 220; D.P. Khanapurkar, 'The Aborigines of South Gujarat', p. 725.

[96] Sama Patra by people of Kalas, 7 May 1875, *DRC,* Appendix C, p. 209.

[97] J.W. Hadow, collector of Ahmedabad district, 19 February 1855, BA, J.D. 1885, 126/748.

to labour in his house, was eventually murdered in revenge.[98] Likewise, we have seen how in 1875 Kushaba Chandgude set about organizing and leading the revolt against the Baniyas of Supe after his sahukar had insulted him by saying: 'Pay your debts or sell your wife.'

In the Koli villages of western Pune district I was given an account of the revenge exacted on a licentious usurer by the people in the 1950s. This man, a Muslim called Amin Sheth, was notorious in the region for lending money for marriage celebrations on condition that the bride spent her first night with him. The matter came to the attention of a Koli called Satu Marade who was a great devotee of Vitthal of Pandarpur. It was while he was travelling around his area in a kirtan group, singing devotional songs to Vitthal that he was told of Amin Sheth's goings on. He took a vow in the name of Dnyaneshwar — the thirteenth century devotee of Vitthal — to kill the usurer. He and a group of Kolis went to the usurer's house and tortured him by twisting his testicles before they beat him to death. To this day, Satu Marade is remembered in the region as a man of morality who protected the honour of his community.[99]

Baniyas also exerted their power over their clients by subjecting them to sexual slights in public. A male peasant who failed to pay a debt instalment or who displeased his sahukar in some way would commonly be treated to a torrent of insulting remarks about the sexual honour of his mother, wife and daughters. If a female of a client household came to the sahukar's shop, the usurer might force her to strip in public and hand over her sari in payment of the debt. This latter punishment and disgrace was commonly used in cases of insolvency, when the court bailiffs in league with the Baniya and his henchmen would seize any clothes found in a peasant's house, and even force the woman to strip in public. As some peasants of Bharuch district complained in a petition of 1843: 'Our creditors strip us and our women even of the clothes which we wear and we are reduced to great distress.'[100] Again, this behaviour was not always tolerated by peasants. A leading Koli outlaw of the 1890s

[98] This was in 1925–1926. Interview with Vinayakrao Auti, Parner, December 1988.

[99] Interview with Ganpat Lohokare, Bhimshankar, Ambegaon taluka, 9 September 1991.

[100] Petition by Patels and Ryots of Broach pargana, 20 November 1843, BA, R.D. 1844, 36/1593. For the prevalence of such practices in Pune district, see G. Giertzen, district superintendent of police, Pune, 18 April 1876, BA, J.D. 1876, 50/1876.

was Dagadu Deshmukh. According to the collector of Ahmadnagar district, he became an outlaw after his sahukar informed him loudly in the market place that if his debts were not paid promptly he would strip his wife of her bodice. He was so angered by this insult that he became a bandit to revenge himself on the sahukars of the region as a whole.[101]

The rumour which circulated in Pune and Ahmadnagar districts in May 1875 about British support for the attack on the usurers related to the peasants' experience in this respect. It was believed, as will be recalled, that a Marwari had taken out a case in the civil courts against an Englishman who was in debt to him, and as a result the court had ordered that the Englishman's hat and his wife's gown be attached. The English had been so outraged that they had, it was believed, given an order that all Marwaris be plundered. This rumour related very directly to the peasants' own encounters with the civil courts and their confiscation procedures, which often led to their own clothes being stripped from their backs. The outrage they felt at such a time was then projected onto the mythical Englishman, the presumed insult to him being seen by the colonial authorities as a challenge to the honour of the community of Englishmen as a whole, and a sufficient cause to order a violent revenge on the sahukars as a class.

The loss of a family home as a result of a court order was also seen as deeply shaming for a family, and in particular for the male head who had failed to shelter and protect his women and children. A collector of Kheda district reported how during the monsoon of 1874 a sahukar had attached and sold the house and property of a substantial Koli client. The Koli entreated him to allow his family to shelter in the house during the heavy rains. His fellow villagers also pleaded with the usurer, but the Baniya refused to relent. After seeing his wife and children exposed to the rain for two days, the Koli again asked to be allowed to make use of the empty house, and on again being refused he cut the usurer's throat.[102] In another case, a Koli farm labourer of Kheda district called Moti Jhina lost his house in an accidental fire in the 1920s. His Baniya sahukar agreed to arrange to have the house rebuilt. Two years went by and no house came up. Moti Jhina complained frequently to the

[101] Collector of Ahmednagar, 14 February 1899, BA, J.D. 1900, 139/508.

[102] F. Sheppard, collector of Kheda district, 28 August 1875, *DRC*, Appendix A, p. 304.

sahukar as well as to the village headman, with no satisfaction. Eventually, his patience exhausted, he attacked the Baniya and chopped off his head with his bill-hook. He fled, and some time later joined the gang of the outlaw, Namdariya, and took part in a number of raids before being eventually caught and jailed.[103]

These cases became well known because they ended in a sahukar being murdered by his enraged clients. But more commonly, the peasants were content to restore their honour by mutilating rather than killing, for they still needed the sahukar's credit, but on less onerous and insulting terms. This form of attack occurred all over western India, and not only in Maharashtra. In September 1874, for example, a sahukar of Kheda district had his nose cut off by his client after he had pressed for payment.[104] Archibald Adams, a doctor who worked in western Rajasthan in the 1890s, reported that he not infrequently had to treat Baniyas who came to him after their noses had been cut off by their clients.[105] Baniyas did not, however, always heed the warning. In 1874, a Gujarati Baniya of Satara district whose nose had already been removed by an outraged client, had the sale enforced of the entire property of four peasants who were in debt to him. These four attacked him and besides slashing at what was left of his nose, cut off his ears as well.[106]

VII

There were further revolts by the Mahadev Kolis against usurers between 1892 and 1902. This was a period of continuing dearth and agricultural depression in Maharashtra. The resistance became particularly intense in the aftermath of the famine of 1896–1897, reaching a peak in 1898, when various Koli bands attacked forty-five sahukars in Nasik, Ahmadnagar and Thana districts, cutting off the noses of seventeen. One, a Gujarati Baniya, was killed.[107]

[103] Jhaverchand Meghani, *Mansaina Diva,* Bhavnagar, 1967, pp. 17–21.

[104] *DRC,* Appendix C, p. 23.

[105] Archibald Adams, *The Western Rajputana States: A Medico-Topographical and General Account of Marwar, Sirohi, Jaisalmer,* London, 1899, p. 437.

[106] Assistant Collector's Report, Satara district 1873–1874, *DRC,* Appendix A, p. 40.

[107] The figures are from January to the end of October 1898 for Nasik and Thana districts, and from the end of May to 22 October 1989 for Ahmadnagar district. BA, J.D. 1900, 139/508.

Because of these attacks, the government of Bombay notified the Mahadev Kolis in 1914 as a 'criminal tribe' as defined in the Bombay Criminal Tribes Act of 1911.[108] Around 700 'notorious' Kolis were required to attend a roll-call each day which was designed to stop them from travelling away from their villages to commit crimes. Although not many were affected directly, the classification stigmatized the community as a whole.

The application of the Act failed to bring any halt to Koli revolts. In 1920–1921, for example, a Koli band which was about twenty-strong carried out nearly fifty attacks on sahukars and other monied people in the mountain villages of Nasik district and the adjoining parts of the Konkan below the ghats. They achieved fame as the 'Devali band' on account of the silver images of gods that some of the members wore around their necks.[109] In 1939–1940 a band was formed in Junnar taluka of about forty Kolis led by a Maratha called Kondiya Navle, with the avowed aim of looting all the Gujarati sahukars of the region, who were charging exorbitant rates of interest. They carried out thirteen raids on sahukars in Pune, Ahmadnagar, Thana and Kolaba districts in the first half of 1940. The police caught up with the band in July 1940; Kondya Navle was killed in the ensuing encounter, and several of his followers were captured.[110]

One of the most celebrated band leaders of the 1950s was Satu Marade of Khed taluka, who, as described above, led an attack on a sahukar notorious for lending money for marriage celebrations on condition that the bride spent her first night with him. Satu Marade is remembered by the people of the area as a man of morality who became an outlaw out of a sense of moral duty. The people remember also how his brother's wife eloped with a Katkari from the Konkan. Katkaris were considered by the Mahadev Kolis to be of an inferior caste. Satu Marade lured the lovers back and killed them. When charged with the crime he is reputed to have said: 'I did it for my honour. I am a bandkari and I could not tolerate my own sister-in-law being taken away by a Katkari.' It was said

[108] Notification of villages coming under Criminal Tribes Act, 1911, Bombay, 27 March 1914, IOL, BJP 1914, no. 9605.

[109] *Police Report of the Bombay Presidency including Sind for the Year 1921*, Bombay, 1922, p. 23.

[110] *Police Report of the Bombay Presidency including Sind for the Year 1940*, Bombay, 1941, p. 22. Kondiya Navle was still remembered by the people of Ambegaon taluka when I travelled in the area in 1991.

that as he was being led away by the police he recited a *sloka*: 'Whatever I did was with good intention, but in the process I might have hurt some people, so please forgive me.' He wept, and the whole village wept with him. At the trial, it was said, Satu asked the judge whether he would be angry if he asked him a question. The judge told him to do so. He asked: 'Imagine that tonight you have to send your wife to me.' The judge realized that Satu was in the right and set him free. He returned to his village, where he lived a life of religious devotion until his death.[111]

Although this story is far-fetched, it shows that in popular consciousness the bandkari continued to be viewed not only as a defender of the community from outsiders, but also as a defender of the patriarchal honour of the community from within. He was seen to undertake this task out of a sense of moral duty and at considerable cost to his own happiness in life. There was in this a sense of proud dignity which, quite clearly, struck a chord deep in popular imagination. The dignity was that of the patriarch who is forced to be cruel for a supposed good.

VIII

Usurers were a target of attack for social bandits in other parts of western India, though nowhere else do we find such a sustained history of this form of revolt as we do amongst the Mahadev Kolis. Elsewhere, the tradition of social banditry was perhaps strongest in central Gujarat, though the attacks were directed not only against Baniyas but also Brahmans and Patidar rich peasants, who together were often described in this particular area as being of the 'sahukari' class. Most of the bandits were of the poor Koli and Muslim peasant communities. One such bandit was the Muslim peasant, Aliya, who became an outlaw after a dispute with his sahukar, a Brahman lawyer of Borsad town. Aliya had mortgaged one of his fields to the Brahman, but believed that he still had a right to pick mangoes from the trees that grew there. One day he was picking the mangoes when the lawyer appeared and told him to stop what he was doing. They quarrelled, and Aliya killed the Brahman and went into hiding.

[111] Interviews with Ganpat Lohokare, Bhimshankar, Ambegaon taluka, 9 September 1991 and Madanlal Prabhakar, Vade, Khed taluka, 11 September 1991.

He joined the gang of the most notorious of the Kheda bandits of the day, Babar Deva, and later established a gang of his own. He became something of a dandy, dressing himself in the latest European fashions, and travelling in upper class compartments on the railways carrying copies of the *Times of India* and *Bombay Chronicle* to make it appear that he could read English. He was captured and hung in 1923. He was buried in Borsad, being revered afterwards by the poor Muslims of the town as 'Aliya pir'.[112]

In Rajasthan, communities such as the Bhils, Minas and Girasias frequently attacked the Baniya sahukars of the region.[113] One well known gang leader was a Mina named Padia, who was active in the 1880s. When not raiding the Baniyas and other wealthy people he disguised himself as a sadhu, or went to Gujarat and worked as a labourer. He had a chivalrous reputation; one story told how after he captured some Banjaras who were carrying Rs 6000 in coins he took only Rs 60 for his expenses and returned the rest to them saying that he did not wish to make their women and children destitute.[114]

Peasants who succeeded in terrorizing the hated sahukars in these ways were often remembered for years after, being celebrated by the oppressed in story and song. Raghu Bhangare is the most celebrated of Koli heroes in this respect, his exploits being widely remembered to this day in the mountain villages of western Maharashtra. But other lesser rebels also continued to be acclaimed long after their death. The Koli, Chimaniya Bhavani, of Kochargaon village (Dindori taluka, Nasik district) was originally persuaded to attack the usurers by a patil of Peint taluka who told him: 'I will give you food, but you must cut the noses of the Wanis who have oppressed us poor fellows and burn their documents.'[115] Chimaniya agreed to do this, and the patil arranged for him and his band to be supplied with arms. He subsequently cut off the noses of several usurers in 1897 and 1898. In the 1940s, when the anthropologist, D.P. Khanapurkar, went to a remote tract on the border between

[112] Meghani, *Mansaina Driva*, pp. 153–8; *Bombay Chronicle*, 12 and 22 December 1923.

[113] A. Adams, *The Western Rajputana States*, p. 435.

[114] *Report on the Administration of the Jodhpur State for the Year 1886–1887*, Jodhpur, 1887, p. 55.

[115] Deposition of Chimaniya Bhavani, 25 October 1898, BA, J.D. 1899, 88/630.

Nasik district and Gujarat, he heard a song which recalled the deeds of this rebel:

The boy Chimana wanders
Like a blazing torch
He created a rebellion
On the boundary of Bhendavad
Bhendavad was encircled
The Marwari was caught
On his chest was placed the foot
His nose and ears were cut.[116]

The song does not mention the deeds for which Chimaniya was hanged, which were the gruesome murders of two Kolis who had given information about him to the police. Neither does the song mention his execution — he is left alive — to return, perhaps, someday? Although described as a 'boy', he was in fact about forty years old at the time of these events. The term suggests a daring young man of spirit — rather than the hardened outlaw of the police records.[117] He was remembered as 'creating a rebellion' — a band — and was thus in popular memory not a mere 'dacoit' as the police described him, but a hero of the people who rebelled against the Marwaris to restore the honour of the community. By singing this and other such songs, the people kept alive the memory of these revolts, validated their own notions of honour, and gave notice of the action that might be taken against other oppressive usurers in future.

116 The song consisted of twenty-seven lines in all, eight of which are quoted here. It started by identifying Chimaniya as being born in Kochargaon, went on to describe his attack on a Marwari, and ended with an account of the capture of the outlaw by a 'saheb'. The anthropologist merely reproduced this and other songs about such rebels — including one about Raghu Bhangare — without appearing to have been aware of their actual history. Khanapurkar, 'The Aboriginals of South Gujarat', p. 969.

117 Details of Chimaniya Bhavani's life and death in BA, J.D. 1899, 88/630.

Chapter Twelve

The Right to Subsistence

Although the usurers were to a large extent responsible for creating shortages of grain through their hoarding and profiteering, they always sought to deny their culpability. Shortages, they asserted, were caused by the will of God. Out of the goodness of their hearts they would provide what they could, but this — given the adversity of the season — was limited. The peasants for their part claimed that as they had over the years regularly handed over a large proportion of their surplus to the sahukars, the latter had a duty to maintain them in their hour of need.

James Scott has described this as the popular peasant belief in 'the right to subsistence'. He considers this to have been one of the primary moral expectations of peasants, constituting what he calls 'the moral economy of the peasant' — a concept adapted from E.P. Thompson's 'moral economy of the poor'.[1] A failure by members of the dominant classes to provide the expected subsistence caused great resentment, and was frequently the cause of revolt.

Like Thompson, Scott focuses in his work on a period of transition. For Thompson, this was the transition to capitalism, with the enforcement, in particular, of free trade policies. For Scott, whose study is of southeast Asia, the transition was from pre-colonial to colonial rule. He argues that a moral economy operated in this region without any very severe ruptures until the colonial conquest of the nineteenth century. It was then fractured in a variety of ways, generating tensions which led to widespread peasant revolts. Similar studies by David Arnold on south India and John Rogers

[1] James Scott, *The Moral Economy of the Peasant: Rebellion and Subsistence in Southeast Asia,* New Haven, 1976; E.P. Thompson, 'The Moral Economy of the English Crowd in the Eighteenth Century', *Past and Present,* 50, February 1971.

on Sri Lanka have shown that grain riots were caused in these regions in the period after 1860 by the rigid enforcement of free trade policies by the British colonial state in a way that violated popular moralities and expectations in years of shortages and high grain prices.[2]

Examples from European history show that even before the period of transition to capitalism, food riots were an ever-present possibility when the dominant classes failed to ensure sustenance to the poor in years of grain shortages and high prices.[3] The same was true in China, with grain riots taking place long before any moves were made to turn the society in a capitalist direction. R. Bin Wong's study of eighteenth and nineteenth century China reveals that there was a strong belief amongst the Chinese poor in a right to subsistence, but in this pre-capitalist context the dominant classes accepted their obligation to try to satisfy this demand. Sometimes, however, they failed to provide in the way expected, and this could lead to popular action to force the opening up of food supplies. These conflicts occurred periodically, but became more prevalent, Wong argues, when the imperial authority began to decay in the nineteenth century. Grain rioting fed into major upsurges, notably the Taiping rebellion of the 1850s, which developed into a serious threat to the overall power of the Chinese state.[4]

The evidence for grain riots in pre-colonial India is extremely inadequate. There are however some stray descriptions to suggest that it was always a possibility when merchants and usurers failed to provide grain in a year of shortage. We know, for example, that there was such a riot in Ahmedabad in 1681–1682, brought about by the high price of grain. The authorities responded by remitting the duty on grain.[5] As in China, riots of this sort stemmed from the failure of the authorities to ensure that grain was available at affordable prices; a riot provided a means to hold them to what

[2] David Arnold, 'Looting, Grain Riots and Government Policy in South India 1918', *Past and Present*, 84, 1979; John Rogers, 'The 1866 Grain Riots in Sri Lanka', *Comparative Studies in Society and History*, 29, 1987.

[3] For an example from northern Italy in 1628, see Charles Tilly, 'Food Supply and Public Order in Modern Europe', in Charles Tilly (ed.), *The Formation of National States in Western Europe*, Princeton, 1975, pp. 380–2.

[4] R. Bin Wong, 'Food Riots in the Qing Dynasty', *Journal of Asian Studies*, 41:4, August 1982.

[5] *Gazetteer of the Bombay Presidency*, vol. VIII, *Kathiawar*, Bombay, 1884, p. 191.

was generally accepted as their duty in this respect. This changed with the advent of colonial rule, for the British refused as a matter of principle to exercise any controls over the market. They were guided in this by the writings of Adam Smith, who held that high prices in a bad year were beneficial because they fostered frugality and thrift among consumers, thus acting as it were to ration scarce resources, as well as provided an incentive to merchants to import grain from elsewhere.[6] In this, there was no appreciation of the corporate power of groups such as the Baniya sahukars, who could control whole regional markets to their advantage with no difficulty at all if not checked by the state. The implementation of the policy of free trade — supported if necessary with the deployment of soldiers and police to prevent popular disturbance — provided the sahukars with a strong institutional backing for their profiteering. Not surprisingly, they took full advantage of this situation, and equally unsurprisingly, the poor on occasions expressed their outrage through rioting.

In Maharashtra there were, for example, grain riots in 1832, when local grain dealers engineered a rapid rise in prices after a poor monsoon. Although these dealers had sufficient stocks of grain to last a year, they connived to force up prices. In September and October the price of grain doubled in Pune and Ahmednagar districts, and the Baniyas offered for sale only old and damaged grain. They began exporting their good grain to Hyderabad state, where prices were higher. Peasants in Ahmednagar district petitioned the collector to ban this trade and to regulate prices. He and the other officials took no action. Between 6 and 20 November there was a series of attacks on the merchants, beginning in Pune city, where large crowds gathered and began beating Marwaris and spilling their grain out on the streets. Two days later there were similar riots in Ahmednagar, and then in Mallegaon and Dhule.[7]

The development of the railways in the latter part of the nineteenth century exacerbated the problem considerably. Sahukars and grain merchants were now able to move large stocks of grain during a period of dearth to places where there was a better market for the

[6] S. Ambirajan, *Classical Political Economy and British Policy in India*, Cambridge, 1978, pp. 60–1. For Adam Smith's original argument, see *An Inquiry into the Nature and Causes of the Wealth of Nations*, vol. I, Oxford, 1976, pp. 533–4.

[7] BA, J.D. 1832, 8; BA, J.D. 1833, 11/276.

produce. The sight of grain carts being driven along the roads to the railway stations, and grain sacks being carried into and heaped up in railway godowns to await export from an area at a moment when the mass of the people needed desperately to replenish their own household stores was particularly galling. During the Maharashtrian famine of 1896–1897 it was reported that many peasants forcibly prevented the sahukars from taking grain out of their villages, an action which certain local officials connived at with sympathy. The government, however, refused to place any checks on the movement of grain or to regulate prices.[8]

This caused a marked rise in the incidence of grain rioting in the final decade of the century, which was in western India a period of repeated dearth and famine. In the next section I shall examine in detail one such rising which occurred in 1891.

II

In the year 1891 there was a severe drought in the Ajmer-Merwara region of Rajasthan after four years of deficient rainfall. Although the Baniyas of these two British-ruled districts had plenty of grain in their stores, much of it being imported on the railways opened in 1875, they refused to advance this to their clients, preferring to sell the grain to merchants in Marwar, who paid higher prices.[9] In the adjoining princely states the sahukars were required by the government to provide assistance, but this was not allowed under British law. The assistant commissioner for Merwara justified this policy by arguing that if they forced the Baniyas to give advances to the peasants the debts of the latter would increase. As it was, they could keep themselves alive by labouring on government relief works, which, in the words of this official, did them 'moral and physical good'.[10] Unfortunately for the peasants, relief works were opened in Merwara only in October 1891 and in Ajmer in January 1892, whereas the Baniyas had begun to refuse to make any advances at

[8] Memorial by the Deccan Sabha to J. Monteith, 14 December 1896, BA, Famine Department 1896, 9/63.

[9] Report by C. Pritchard, assistant commissioner, Merwara district, 28 February 1893, *Reports on Famine Relief in Ajmere-Merwara during 1891–1892*, Calcutta, 1893, p. 9.

[10] Ibid., p. 109.

the start of August 1891, when it was becoming apparent that the monsoon was likely to fail. By the end of this month it was clear that the monsoon crop would certainly fail, and credit dried up entirely. The price of grain rose sharply during September, and the Baniyas refused to hand out anything without payment of cash, which the peasants did not have. In this month all that the British officials could offer the peasants was advice to migrate elsewhere, as they were unable to provide sufficient aid.[11] It was during this period when they had no major source of sustenance that the peasants took matters into their own hands.

The assistant commissioner for Ajmer district at the time was A.F. de Laessoe, who had a low opinion of the Baniyas. He knew that the sahukars had been harassing the peasants by lodging false cases of grain robbery against them, and on 11 September he issued a circular to the police that they should not arrest any peasants on such a charge without permission from a magistrate. A rumour rapidly spread that the assistant commissioner had ordered that no peasant would be punished for taking grain from the Baniyas by force. On 14 September a series of mass attacks began, and continued for nine days.[12]

These attacks were carried out in an organized and disciplined manner. They were informed by a belief that so long as grain was taken from Baniyas only, the authorities would not interfere. Messages were circulated to the peasants who dealt with the Baniyas of a particular centre that they should gather in the fields outside that place. They came armed with lathis, swords, axes, slings, and the occasional gun. In some cases they appointed a 'commissioner', 'assistant commissioner' and 'district superintendent of Police' from amongst themselves. According to a report on the rising:

> The three men thus appointed were then sent into the village to explain to the baniahs that it was their duty to give grain on credit, and that proper receipts would be given. On the baniahs refusing, they were told that the grain would be taken forcibly. The three officers then returned to the mob outside the village, and made speeches, explaining the Government could not help them and that the baniahs would not, so they must help

[11] Ibid., p. 109; Report by A. Martindale, commissioner, Ajmer-Merwara, 6 June 1893, ibid., pp. 23–6; Report by G.H. Trevor, chief commissioner, Ajmer-Merwara, 22 July 1893, ibid., p. 10.

[12] Report by G.H. Trevor, ibid., p. 11; *Civil and Military Gazette,* 7 November 1891.

themselves. After that they went to the village when the "Assistant Commissioner" ordered the "District Superintendent of Police" to have the doors opened. This was done and the grain taken. The baniahs' books and papers were then brought to the "Commissioner" and "Assistant Commissioner" who ordered them to be "dakhil daftered", whereupon they were at once torn up.[13]

In a few cases the Baniyas defused the situation by agreeing from the start to the demands of the people. They then weighed out and distributed the grain in a regular manner. But in most cases they refused the initial demand, which led to an attack on their shops.[14]

Bir village, south-east of Ajmer, was, for example, an important centre for Baniya sahukars. There were at the time about eighty families of mahajans who dealt with the peasants of this and some surrounding villages. By caste, the peasants of Bir were largely Gujars and Rawats (a subdivision of the Mer community), while in the surrounding villages the population was chiefly Rawat. On 7 September a Baniya's shop in Bir had already been broken into and robbed of grain by some people of the nearby village of Hattipatta, where the peasants were mainly Rawats. This robbery was however carried out secretly at night while the shopowner was away temporarily from his home. The attack on 16 September was, by contrast, carried out openly in the middle of the day by about 500 peasants. By caste, they were chiefly Rawat, though Balais, Gujars, Regars, Chakers, Kumhar Nats, Ahirs and Kahars of the villages of Bir, Srinnagar, Danta and Palram also participated. Men, women and children were involved. The organizers were Rawats of Balia and Palram.

The peasants gathered together, armed with lathis, axes and a few guns. They fanned out, entering the village from all sides, and forced their way into the houses of the Baniyas, seizing the grain stored there. Men, women and children all helped to remove the grain. They also grabbed account books and any other papers they could lay their hands on, scattering them in the streets. No Baniya attempted to resist, and none were injured. Some guards employed

13 J. Bidduph, commissioner, Ajmer-Merwara, 23 January 1892, RSA, Ajmer Commissioner's Office records, English Office Z (12) 30, basta 132.

14 Reports on Grain Riots in the District of Ajmer, 1892, RSA, Ajmer Commissioner's Office records, English Office Z (12) 30, basta 132.

by the Baniyas put up a fight, killing two Rawats with their swords and shooting another. There were five policemen in the village, who were attacked and stoned by the peasants. They eventually fired back, hitting one peasant. After these shootings, the peasants retreated from the village, carrying away grain and other property of the Baniyas.[15]

In another case, in Rajgadh, south-west of Ajmer, there were about seventy Baniya households whose clients were largely Rawats, Gujars and Malis. They had appropriated a considerable amount of land from their clients in the preceding years, which had caused great resentment. On 18 September a large number of peasants of, amongst other places, Bithar, Kothaj, Lachmipura, Kaklana, as well as Rajgadh itself, gathered in the fields outside this small town. They appointed their own 'officials' in the manner described earlier, who then set about ordering the attack on the Baniyas. The account books and papers were seized, heaped up and burnt in a ceremonial manner, with orders being given by the 'commissioner' and 'assistant commissioner' to peasants acting as 'adjutant sahib' and 'jemadar'. The only person hurt in the attack was a guard employed by the Rajput lord of the place, who tried to resist and suffered a sword-wound.[16]

In all, the Baniyas of fourteen separate centres were attacked in this manner by the peasants of at least forty different villages over a period of nine days. The number of peasants involved in each attack ranged from forty to one thousand. By caste, they were chiefly Mers and Rawats, though peasants from a wide range of other castes were also mentioned as having taken part. In the majority of cases, no resistance was offered either by the Baniyas or other people of the village. Only two Baniyas were reported to have been hurt: they were beaten, but not seriously. In three cases, in Bir, Rajgadh and Nagarlao, guards who tried to resist were injured. At least two of the attackers were shot dead (in Bir) and about twenty others wounded, in almost all cases by policemen who fired at them.

Reinforcements of police and soldiers arrived in the area on 22

[15] This account of Bir based on ibid., and interview with Kamarsingh Rawat, Bir, January 1989.

[16] Information on Rajgadh from ibid., and interview with Kanaiyalal Ramchandra Sharma, Rajgadh, January 1989.

September. On the following day peasants who had gathered to attack the Baniyas of three places were themselves attacked and dispersed by force, with several being shot and others being captured. This brought a swift end to the uprising. In the following days nearly seven hundred peasants were arrested and charged with having looted grain.

Those arrested were reported as being able-bodied and by no means starving. The rising was caused by moral outrage against the Baniyas and not starvation as such. The peasants, however, clearly anticipated that they would start to starve in the near future if action was not taken quickly. The rumour about British support for coerced redistribution of grain tipped the balance against the sahukars, setting off the actual mass attacks. As in many other cases of peasant insurgency in India and elsewhere, the peasants took it upon themselves to establish an alternative system of authority which imitated and paralleled the official system.[17] By this means they established a 'moral government' which took the action they felt was appropriate for a ruling power, and which they hoped would be viewed sympathetically by the authorities. As soon as it became clear that the British were not prepared to tolerate such actions, and would, rather, suppress them with armed force, the rising ended.

III

The risings in Ajmer had certain important parallels with the grain riots of eighteenth century England described by E.P. Thompson. In England, there had in the sixteenth and seventeenth centuries been paternalistic checks on prices designed to protect the poor. Hoarding had been forbidden. These checks were gradually removed during the eighteenth century as a bourgeoisie committed to a laissez faire ideology gradually enhanced its power. This 'freeing' of the market was strongly resented by the poor, who continued to believe in a 'moral price' for staple foods. In this, they were often supported by the local gentry, who resented the bourgeois middlemen who

17 For further examples from India, see Ranajit Guha, *Elementary Aspects of Peasant Insurgency in Colonial India*, New Delhi, 1983, p. 10; for western Europe, see Charles Tilly, 'Food Supply and Public Order in Modern Europe', in C. Tilly (ed.), *The Formation of National States in Western Europe*, Princeton, 1975, pp. 388–9; for the Purgachev rebellion in Russia, see Paul Avrich, *Russian Rebels 1600–1800*, New York, 1976, pp. 203–5.

made such profits from the new state of affairs. Grain riots were triggered off by soaring prices during periods of scarcity. The people, when they attacked the grain-dealers and took away the hoarded grain, sometimes did it to cries of 'God save the king!', so as to stress what they considered the legitimate nature of their action.[18]

Likewise in Ajmer, the peasants looked to their rulers to intervene on their side against the Baniyas. In the pre-colonial period, and in princely states during the colonial period, rulers commonly forced sahukars to provide for the peasants during times of dearth, and prevented profiteering by fixing prices. Significantly, the crisis occurred in a British-ruled area, where the authorities refused to make any such interventions. Even then, the peasants believed that the authorities would support them when the justice of their actions was seen, and they carried out the attacks in a pseudo-authorized way, with orders being given by popularly-appointed 'commissioners' and 'assistant commissioners'.

One feature which cannot be compared to English food riots was the seizure and destruction by the peasants of debt-bonds and account books. This conformed to the pattern of peasant revolt against usury which had developed under colonial rule in India, as examined in chapter ten. It is notable that other studies of grain riots in South Asia mention a similar seizure and destruction of account books and papers.[19] Whereas in eighteenth century England the relationship between the rioter and the merchant was one of purely the buyer and seller in the market place, in South Asia the relationship between the peasant and sahukar was characterized by long-term clientage and patronage, symbolized — as well as made legal — by the debts recorded in account books and on debt-bonds. It was therefore to be expected that any grain riot directed against sahukars might very easily develop into an attack on this central apparatus of usurer power.

Risings such as the one in Ajmer occurred during the nineteenth century in almost all cases in British-ruled areas, where they were brought about by what was perceived as the failure of the authorities to act against hoarders. By contrast, in princely states the authorities

[18] E.P. Thompson, 'The Moral Economy of the English Crowd in the Eighteenth Century', *Past and Present*, 50, February 1971, pp. 78–9, 89, 95, 108–12.

[19] David Arnold, 'Looting, Grain Riots', p. 127; John Rogers, '1866 Grain Riots in Sri Lanka', p. 502. In both cases this feature of the riots is mentioned merely in passing.

commonly took measures to prevent profiteering by merchants. For example, in Jodhpur, in August 1899, when some 'grasping Banias' tried to take advantage of the failure of the rains to shoot up prices, officials set up a shop to sell grain at cost price. This move proved popular; 23,566 maunds worth Rs 118,695 were soon sold, forcing the Baniyas to reduce their prices.[20]

There were several other risings of this sort in the British-ruled areas of western India during the 1890s. Some occurred in Maharashtra during the severe famine of 1896–1897, when grain dealers profiteered by using the railways to export grain on a wide scale from famine-stricken areas. It was common knowledge in Maharashtra that the rulers of adjoining princely states were forbidding such exports, and that the people of these states were highly appreciative of their rulers' efforts in this respect. This was a cause of widespread dissatisfaction and outrage in the British-ruled areas, where it was felt that the authorities were neglecting their duty in failing to ensure that grain was made available at a 'fair' price.

On 17 October 1896 about a hundred people of Hubli town in Dharwar district took direct action when they saw a convoy of carts taking grain to the railway station for export. A lot of grain was being exported to the north, and the people had already made several requests to the collector to stop this trade. They snatched bags of grain from the carts and carried them off. Soon after, a bigger crowd marched to the station and tried to force its way into the grain shed there. They were confronted by the railway police, and after stones were thrown, were driven away with shots over their heads. According to the collector: 'The railway stations throughout the district are blocked with grain awaiting carriage, and the railway authorities express some apprehension as to its safety.'[21] There were similar attacks on grain carts and grain dealers in Karad town of Satara district and Sholapur in November. At Karad thirty-seven people were arrested for looting. When the sub-divisional magistrate, Clements, visited them in the town lock-up on 13 November he was 'gheraoed' by a crowd demanding that

[20] Pandit Sukhdeo Prasad, *The Final Report of the Famine Operations in Marwar during 1899 and 1900,* Jodhpur, 1900, p. 186.

[21] E.L. Cappel, collector of Dharwar district, 19 October 1896, BA, Famine Department 1896, 21/43.

they be released. A passage had to be forced for him by the police, and he left to a barrage of stones.[22]

In Yaval in Khandesh the Baniyas refused to sell any grain to the townspeople in October, even though they had plenty in their stores. A leading Muslim, the local kazi, told the authorities that the people of the town were demanding that the price of juvar be fixed at ten annas a *chautta*. The local authorities called the Baniyas together in the house of one Ghanshyam on 23 October to try to persuade them to sell at this price. While the negotiations were going on a crowd burst into the house suddenly, caught the Mahalkari and beat him unconscious:

> The Banya's houses were then visited. In fear of their lives the banyas opened their storehouses and allowed their grain to be taken away. It was carted to the open space around the Kazi's house. At this moment the Police Jamadar, who had just returned from another village, arrived. He and the Kazi tried to regulate the disposal of the grain. The grain dealers were summoned and told to disperse their grain. They did so and got in nearly every case the market price for it.[23]

Encouraged by this, some Bhils, Mahars and Muslims went to the weekly haat held outside the town and appropriated grain from the stalls of the traders.

The same week the Baniyas of Jamner town of Khandesh refused to open their shops or sell any grain on the day of the weekly market. The people went to the mamlatdar to ask him to intercede with the Baniyas to sell grain to them at a reasonable price. This official went to the bazaar to negotiate with the shopkeepers. A crowd gathered, a Marwari was hit, the mamlatdar lashed out with his horse-whip and the crowd turned on him. He scrambled into a sahukar's shop, where he hid while the crowd plundered the bazaar.[24] There was a similar outbreak in the small town of Shendurni at the same time.

Those who took action against the Baniyas in 1896 were townspeople rather than peasants. In common with the peasants, however, they had a notion of a fair price for grain which they sought to

[22] District superintendent of police, Satara, 15 November 1896, ibid.

[23] Collector of Khandesh, 23 November 1896, ibid.

[24] *Khandesh Vaibhav,* 30 October 1896, in *Reports on Native Papers for Bombay Presidency for the week ending 7 November 1896;* collector of Khandesh, 4 February 1897, BA, Famine Department 1897, 150/247.

impose through persuasion in the first instance, but with force if necessary. They first sought help from local officials, but when these men failed to bring adequate pressure to bear on the Baniyas, they also became a target of attack. Taken together, these outbreaks reveal that by the 1890s the situation had become very tense, with the people prepared to take action against profiteering Baniyas much more freely. The poor had resented the policy of laissez faire from the start, as was apparent in the outbreaks of 1832, but it was only when the evils of this policy were compounded by the new developments in grain-transport by rail that the outrage burst into the open on a wide scale.

Three years later there was another such rising, in this instance by the Bhils of the Panchmahals district in Gujarat during the famine of 1899–1900. In August 1899, as soon as it became clear that the harvest would fail due to lack of rain, the sahukars began sending their Bhil clients away from their shops empty-handed. There was still plenty of grain heaped in their stores, but rather than hand this out they organized its export on a large scale on the railways so as to take advantage of the high famine prices prevailing in other parts of western India. During August 1899, 47,623 maunds of foodgrains and pulses were sent out from the local railway station, Dahod, in this manner.[25]

During the first week of September the Bhils began to gather to discuss what action they should take.

> They say the Banias have behaved so as to merit any revenge. The Bania has taken 5 Maunds and will not now return more than one. The Bania has bought at one rupee and will not now sell at less than four rupees. The Bania has made his riches out of them; and now that they are in distress he will not lift a finger to help them.[26]

On the afternoon of 8 September Bhils of sixteen villages gathered outside Jhalod town armed with their bows and arrows. They marched into the government office in the town and demanded that the mamlatdar force the Baniyas to supply them with grain at reasonable rates. They waited while this official negotiated with the sahukars.

25 Exports were at their height in August 1899, and declined thereafter. Note on movement of foodgrains, BA, Famine Dept. 1900, 57/41.

26 Report by C.N. Seddon, collector, Panchmahals district, 16 September 1899, BA, J.D. 1900, 96.

Later in the afternoon, when he returned and told them he had failed, they turned on the usurers and looted their shops.

News of this event spread rapidly throughout the region, encouraging Bhils to loot sahukars in other centres over the next few days. Huge numbers of Bhil men and women — in some cases four thousand, in others five thousand strong — were involved in these attacks. The political agent for Rewa Kantha Agency reported on the situation in Santrampur (or Sunth) state, which bordered on Jhalod taluka: 'A very large proportion of the Bhil population of the East of the Sunth State is in a state resembling that of revolt. The people visit their houses at night and in the daytime remain in the hills watching for the opportunities of looting defenceless villages inhabited by Kunbis or by others who possess stores of grain or valuables.'[27] The authorities in Santrampur believed that an attack by about ten thousand Bhils on the state capital was imminent.[28]

On 12 September, in response to frantic requests, two companies of troops arrived by train to Dahod, from where they marched to Jhalod. The Bhils made no attempt to resist and kept away from the main roads along which the troops marched. In the meantime there had been a little rain, which encouraged many Bhils to go back to their fields and start agricultural operations.[29] By 16 September the collector was able to report that the situation in Jhalod taluka was quiet. In the words of the deputy collector, 'the Bhil rising subsided as suddenly as it began'.[30]

The rising had been very much a community affair, with thousands of Bhils taking part. When it is considered that the entire Bhil population of Jhalod taluka in 1901 was only 23,922, it can be appreciated that gatherings of between three and five thousand Bhils represented mobilization on a mass scale. They were led by their headmen and both the women and men participated, the women carrying away the grain while the men intimidated the sahukars.[31] The cause of

[27] Political agent, Rewa Kantha Agency, no date, ibid.

[28] Administrator, Santrampur state to political agent, Rewa Kantha Agency, 11 September 1899, ibid.

[29] Deputy collector to collector, 14 September 1899, ibid; *Times of India,* 16 September 1899. In the end, the rain proved insufficient to produce any crop.

[30] Deputy Collector's Report, Panchmahals district 1899–1900, BA, R.D. 1901, 52/137, pt. 3.

[31] Ranajit Guha has recorded a similar sexual division of labour in the Santal uprising of 1855, *Elementary Aspects of Peasant Insurgency in Colonial India,* p. 130.

the rising was not starvation as such. The available accounts indicate that the Bhils still had some grain stored in their houses. However, the amounts stored were certainly very meagre, and they clearly anticipated starvation very soon unless they could replenish their stocks. What tipped the balance was a feeling that the sahukars, by refusing to give them grain and instead exporting it to distant markets, were acting in a morally outrageous manner. The violence was not random, but had a clear and unambiguous aim: to take from the sahukars the grain they were keeping from them so unjustly. Not one member of the dominant classes was killed by the Bhils, and only a few received minor injuries. The recorded fatalities — nine in all — were of Bhils killed while looting. Again, once the British mobilized superior force, the peasants abandoned their revolt.[32]

IV

Even then, the relationship between the peasants and the sahukars was not as a rule severed for long. In Ajmer, many of the Baniyas who had been attacked by their clients refused afterwards to identify those who had been involved to the police. This they could have easily done if they had so wished, but did not want to increase their unpopularity in the area by acting as informers. Neither did they wish to see their debtors arrested and jailed, and be thus unable to repay their debts. In Bir, for instance, the Baniyas refused to give the name of a single looter to the police. When the police searched the houses of some peasants and discovered grain, utensils and other property which belonged to the Baniyas, the usurers stated that they had deposited their property with the peasants for safety during the period of trouble. When the police presented the Baniyas with the names of arrested people, they refused to sign the lists as a mark of their assent.[33] As soon as there was a good rainfall, in the following year, they advanced loans to the peasants as freely as they had before the famine.[34]

[32] For a fuller description of this rising, see my article 'The Bhils and Shahukars of Eastern Gujarat', in R. Guha (ed.), *Subaltern Studies V*, New Delhi, 1987, pp. 37–42.

[33] Statement B, Reports on Grain Riots in the District of Ajmer 1892, RSA, Ajmer Commissioner's Office records, English Office Z (12) 30, basta 132.

[34] A. Martindale, 9 September 1892, NAI, F.D. October 1892, Intl-B, 87–8.

In the Panchmahals, British officials believed that the events of 1899 might have a wholesome effect in the long term in that they would undermine the misplaced trust which the Bhils had in their sahukars and encourage them to borrow from the government at low rates of interest. After the uprising large numbers of Bhils applied for government loans as their sahukars refused them credit. Lakhs of rupees were accordingly advanced.[35] In 1901 the district collector optimistically reported that it seemed that the Baniyas had lost their business with the Bhils for good.[36] His hopes were belied for, in 1902, with the first good monsoon since the famine, the sahukars re-established links with their old debtors. They acted with great accommodation, giving generous loans to Bhils and willingly undertaking to pay their land-tax demands. They were careful not to take any debtors to court. According to a deputy collector: 'His [the sahukar's] game is at present is by all means in his power to induce the people to renew their accounts.'[37] Within months the situation was as before, with the Bhils once more borrowing freely from the sahukars. In 1907 a deputy collector, commenting on the effects of the famine on rural credit, had to report: 'Generally speaking the Bhil is as much immersed in debt as formerly. He is entirely in the clutches of the savkar.'[38]

This pattern was repeated in most areas. The relationship between the peasants and the sahukars was so central to agrarian life , and so inevitable, that it could not be changed in any essential way by the bitter experiences of famine years alone. Those periods were remembered with dread, often for generations after, as a time out of normal when, amongst other horrors, the sheths had deserted the peasants in their hour of greatest need. The sheths, with their sweet tongues, claimed afterwards that they had been helpless in the matter. The peasants had little choice but to feign agreement, for their need for credit took priority over the truth. But they could never forget. For, as a proverb put it: 'The thug kills the stranger — the Baniya kills the one he knows.'[39]

[35] *Dahod Taluka Revision Settlement Report, 1904*, p. 37.

[36] A. Wood, collector of Panchmahals, 27 April 1901, BA, R.D. 1901, 52/137 pt. 3.

[37] Deputy Collector's Report, Panchmahals district 1902–1903, BA, R.D. 1904, 28/177 pt. 3.

[38] Deputy Collector's Report, Panchmahals district 1906–1907, BA, R.D. 1908, 17/511 pt. 4.

[39] Shankar Gangadhar Joshi, *Kahevat Kosh aur Sukhtiya,* Ahmadnagar, 1943, p. 102.

V

In this and the previous two chapters we have examined three characteristic forms of revolt against usury during the colonial period. The first involved mass uprisings against sahukars by large numbers of peasants over a wide area, being motivated by the aim of seizing and destroying the account books and debt-bonds which the sahukars used as the chief instrument of exploitation and control. In western India, this form of revolt was exemplified by the rising of May 1875 in Pune and Ahmadnagar districts. There were several other revolts of this type in other parts of India which have been referred to briefly in chapter ten.

The second main form of revolt was characterized by guerilla insurgency, in which a small group of rebels went into hiding and carried out attacks on sahukars over a wide-ranging area, normally at some distance from their own villages. They sometimes mutilated the usurers, and took whatever valuables they could find so as to be able to finance their continuing revolt. They frequently burnt any account books and debt-bonds that fell into their hands. They received support and succour from the peasant community as a whole, and the authorities had great difficulty in tracking them down and suppressing their revolts.

In the third type of revolt, the chief aim was to obtain grain after it had been denied by the sahukars during a period of dearth. Peasants enforced their 'right to subsistence' by taking grain by force.

I have in chapter nine described the socio-economic background of these revolts — which involved the growing economic power of the sahukars, their use of the civil courts, and their appropriation of land from the peasants. These forms of oppression were not in themselves sufficient to bring about revolts, otherwise there would have been frequent uprisings all over western India. In fact, such resistance was the exception rather than the rule.

What was it that helped tip the balance towards revolt? Solidarity was very important, either of the peasant community as a whole — as in the case of mass uprisings — or — in cases of social banditry — amongst a community of poorer peasants, such as the Mahadev Kolis of Maharashtra, or the Kolis and Muslims of central Gujarat. Most important, however, was the violation of the peasants' sense of righteousness and code of honour in a particularly blatant and

intolerable manner. The violation could be by the usurers as a class. Thus in Maharashtra in 1875 the refusal by the sahukars to pay the second instalment of the land-tax, as expected, was seen as a moral outrage and was a major precipitating factor in the revolt. Similarly, in Ajmer in 1891 and the Panchmahals in 1899, the refusal of the Baniyas to provide grain on credit in an hour of need had a similar effect. Or, the violation could be by an individual Baniya, directed at a peasant with a particularly strong sense of personal honour who then mobilized a wider resistance. The insult thrown at Kushaba Chandgude of Supe by his sahukar thus appears to have made him into an outright rebel. Likewise, Moti Jhina rebelled when his sahukar failed to build his promised house, and Aliya when his sahukar tried to prevent him from taking mangoes from what he considered his own tree.

All this can be seen to accord with E.P. Thompson's concept of 'moral economy', namely:

> ...a view of social norms and obligations, of the proper economic functions of several parties within the community, which, when taken together, can be said to constitute the moral economy of the poor. An outrage to these moral assumptions, quite as much as actual deprivation, was the usual occasion for direct action.[40]

Thompson's argument was made in the context of a study of eighteenth century grain markets in England in which the urban poor and merchant classes came face-to-face. A valuable contrast was made between the belief of the poor that prices should be controlled so as to prevent unfair profiteering, and the new laissez-faire 'economic rationality' of the emerging capitalist class which opposed all such checks on prices. Two forms of economic morality thus came into direct conflict: that of the capitalist classes and the other of the poor. The riots occurred as a result of this clash.

In the case of the revolts against usury in western India, the idea that the issue at stake was merely two opposing economic moralities does not allow for an adequate appreciation of the issues involved. The revolts — taken as a whole — involved a complex range of questions relating to the sense of righteousness of the peasants and their understanding of what constituted a moral relationship between the peasant and usurer. They involved a critique of capitalist forms

[40] E.P. Thompson, 'The Moral Economy of the English Crowd in the Eighteenth century', *Past and Present*, 50, February 1971, p. 79.

of property as well as capitalist systems of law. Incorporated in them were also notions of community, patriarchy and honour, which involved, amongst other things, the defence of the community, and the maintenance of land and wealth, while at the same time building a reputation for generosity, the accumulation of symbolic capital through meritworthy behaviour and good marriage, the sustaining of credit-worthiness, and the maintenance of correct family relationships according to cultural beliefs about correct gender roles. The revolts were, on the one hand, against forces perceived as a threat to a righteous way of life, and on the other, an assertion and reinforcement of these very notions of righteousness.

To talk about 'moral economy' when the issues involved went far beyond the sphere of the economic is thus unduly limiting. Rather than 'moral economy', it might be more appropriate to describe these as struggles revolving around a broad sense of what peasants considered to be 'righteous' and 'unrighteous' behaviour on the part of those considered to be superior to them in the hierarchy — in this case the Baniya usurer.

Chapter Thirteen

Usury Under Late Colonial Rule

In *The Development of Capitalism in Russia*, Lenin argued that as capitalism developed in Russia, a 'peasant bourgeoisie' arose which combined the lending of money against security of land with a trade in agrarian produce and an agriculture associated with industrial capital involving the cultivation of produce for the market and the use of agricultural wage-labourers. The rise of the 'peasant bourgeoisie' signalled the end of the domination of merchant and usurer capital, for the peasants now marketed their own crops and accumulated their own capital. Over time, the rich peasants invested their capital more and more in agricultural production for the market and less and less in usury, becoming increasingly capitalist farmers.[1]

Historians have tried to apply a similar sort of argument to India, maintaining that as a market for agrarian produce grew under colonial rule, so the richer peasantry were able to free themselves from the grasp of Baniya usurers. H. Fukazawa, for instance, argues that in western India the Baniyas had monopolized trade in agricultural commodities in the 1850s, but by the 1890s had ceased to do so. With the coming of the railways, richer peasants were able to find a new market for their crops, and they used the profits to buy more land and establish themselves as rural usurers. At the same time, the Baniyas began to move their capital away from the rural areas to invest it in business in the cities, notably Bombay. By 1900, the professional sahukar was, he maintains, in firm retreat throughout western India.[2]

[1] V.I. Lenin, 'The Development of Capitalism in Russia', *Collected Works*, vol. 3, Moscow, 1972, pp. 78-9 and 185-6.

[2] H. Fukazawa, 'Agrarian Relations: Western India', in Dharma Kumar (ed.), *The Cambridge*

Simon Epstein claims that there was a decline in professional 'money-lending' brought about by rural commercialization. In areas in which there was a large increase in cash-crop cultivation in the late nineteenth and early twentieth centuries — such as central and south Gujarat, Khandesh and the fertile valleys of Satara district — the peasants were able to use the profits from marketing their own crops to pay off their debts and become money-lenders themselves. He states that: 'The breaking of the economic stranglehold of the moneylender in the Bombay countryside was thus the almost invariable concomitant of the development of concentrated areas of commercial farming among its ryotwari peasantry over the period from around 1880 to 1930.' In areas in which there was little commercialization of agriculture, on the other hand, the sahukars maintained their hold till at least 1930.[3]

Sumit Guha makes similar points in his study of usury in Maharashtra between 1800 and 1950, but in a more guarded way. He holds that the sahukars began to distance themselves from the villages from about 1880 onwards. Previously, they had advanced loans chiefly on crop-security. This system required a lot of supervision, as they had to keep a close eye on the peasants' harvests. The profits, he argues, were not commensurate with the amount of work involved for the usurers. With land becoming scarce and more and more valuable in the late nineteenth century, they were able to replace the crop-security system with land-security, which allowed them to carry on the business in a more detached manner. The peasants were then left free to market their own crops, and from the profits they themselves were able to move into usury. There was a set-back to this process in the period of dearth and famine in the late 1890s when crop-security again became important, but it soon re-established itself. This did not apply in the poorer areas, notably the adivasi tracts, where land lacked value and crop security remained the norm until at least the mid-twentieth century.[4]

The main problem with arguments such as these is their economic

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Economic History of India, vol. 2, Cambridge, 1982, pp. 195–7.

[3] S.J.M. Epstein, 'The Breaking of the Money-lender: Western India and the Commercialization of Agriculture 1880–1930', *South Asia*, new series, 4:2, December 1981, pp. 22–8.

[4] Sumit Guha, 'Community and Credit in Upland Maharashtra 1800–1950', *Economic and Political Weekly*, 22: 52, 26 December 1987, pp. A-131-38.

determinism. It is assumed that once a market was opened up for agrarian produce by the development of capitalism at a global level, local institutions and relationships would inevitably adapt and change rapidly towards a capitalist form of production. In the case of western India, it is maintained that once rail links were established with rural markets, the way was open for cash-cropping peasants to sell their produce at a profit and subsequently consolidate their position in rural society and become usurers. In fact, however, cash-crop production had been engaged in for a long time in western India, often on a large scale, but the sahukars had as a class combined to prevent peasants from profiting from such agriculture. I have argued in chapter seven that although there was some growth in marketing by the peasants in certain areas from the late nineteenth century onwards, the opportunities for profit were severely limited by the hold the Baniyas continued to exert over most rural markets. Indeed, in many areas there was a direct correlation between the marketability of crops and the degree of Baniya exploitation.

The relationship between the Baniyas and the peasants was not merely a market relationship, obeying the logic of that perfect market which exists only in the minds of neo-classical economists. It was a multi-dimensional relationship, and our explanations have to reflect this complexity. For example, the Baniyas had for centuries enjoyed firm political support, being considered by succeeding states as the legitimate providers of rural credit. Without this support such usury could not have survived for any length of time. A history of any supposed decline in Baniya usury has to examine state policy towards professional usury and determine whether state support was being modified or even withdrawn, and the impact this may have had.

In addition, this was an institution with great social and psychological depth. The figure of the Baniya was an important social type, carrying on a particular function in an inimitable manner which might be approximated by others but not seriously challenged. The Baniyas' own culture was rooted deeply in the practice of usury, their very self-identity resting strongly on their perception of themselves as fatherly patron-figures who provided an essential service for the peasantry, in the process oiling the wheels of society. It was something they could not give up easily, as it would raise doubts about their whole position and role in society. The peasants, for their part, believed in the essential validity of the relationship, which was seen, for example, in their conviction that they had an obligation

to repay their ancestral debts. In revolt, they did not as a rule seek to destroy the relationship for good, only to restore it to what they regarded as its correct form.

There were also strong social barriers which acted to prevent peasants themselves becoming usurers at par with the Baniyas. I have argued in chapter five that peasants, whether rich or poor, had a strong sense of community which was rooted in a belief that membership of the group conferred a right to the use of land. Landed property, in other words, involved a social relationship. It was not seen as a commodity which could be bought and sold free from attached social considerations. A family or person could not buy their way into the society of a village through a purely financial transaction; people had to build their position through transactions which were both social and moral as well as fiscal, and this was a long drawn-out process. The practice of usury which involved the treating of land as a mere commodity sold for debt in a way which deprived the peasant of all future interest in the land was considered an anathema by the peasants. This morality prevented wealthy peasants from practising their usury in the ruthless manner made possible by colonial law, in which they could use credit to accumulate land in an atomized, individualistic way. Such an activity was not considered socially respectable, and peasants who acted in an obviously self-aggrandizing way were liable to make themselves very unpopular within the community.

The arguments set out at the start of this chapter do not tackle this issue. In fact, being rooted in an economistic 'commonsense', they probably do not even consider this important. If pushed, they would no doubt argue that peasants have always practised an 'economic rationality' which involved the pursuit of individual self-interest regardless of social consideration, and that talk of a sense of community which worked against such individualism is mere romanticism or populism.[5] In this, they forget that mentalities evolve and change very radically over time.[6] Twentieth-century peasants may well act according to the norms of an economic rationality

[5] For clear statements of this line of argument, see Samuel Popkin, *The Rational Peasant: The Political Economy of Rural Society in Vietnam,* Berkeley, 1979, and Gavin Kitching, *Development and Underdevelopment in Historical Perspective: Populism, Nationalism and Industrialization,* London, 1989.

[6] This is brought out very clearly in the work of Michel Foucault. See, for example, *The Order of Things: An Archaeology of the Human Sciences,* London, 1974.

which is wholly bourgeois in spirit, but this does not mean that their ancestors did so in the nineteenth century. What goes unexplained — by default — is how such a powerful change in peasant consciousness occurred.

Any examination of usury during a period of heightened agrarian commercialization must therefore look at far more than merely the operation of the market in agrarian produce. It has to also examine the relationship between the state and Baniya usurers, the development of alternative means of credit, as well as peasant resistance and changes in peasant attitudes. These subjects are taken up in this chapter.

II

We will first examine the evidence relating to the question of the rise of a class of rich peasant usurers who, it has been argued, were increasingly replacing professional usurers during the late nineteenth and early twentieth centuries. They were able to do this, it is held, because they benefited from the extension of commercial agriculture, which earned them surplus capital that could be loaned out. Often, they did this so as to eventually acquire the land of those in debt to them, allowing them to extend their commercial farming. There is no doubt that many rich peasants did lend to other peasants, and indeed had done so long before the period we are looking at in this chapter; what we need to examine here is, first, the social nature of this lending and how it changed over time, and, second, whether or not rich peasants were replacing professional usurers in the late nineteenth and early twentieth centuries in such a way as to restructure the system of rural credit in a transformative manner.

It is certainly true that during the second half of the nineteenth century a new, more capitalistic form of peasant usury began to develop. This was particularly the case in fertile agrarian regions in which large profits could be made from cultivating cash crops for urban markets, and where wealthy peasants sought to accumulate land so as to grow cash crops using wage-labour. The Charotar — a fertile tobacco-growing region of Kheda district in central Gujarat — was one of the first areas in which this became apparent. In his annual report for 1878–1879 the district collector reported that most of the land of the Kolis, Dheds and poorer Muslims was mortgaged to sahukars, and that there had been an increase in such

mortgages that year. In the Charotar talukas the mortgages were mostly in favour of Patidar and Brahman cultivators-cum-usurers.[7] These transfers were not seen as contingent on repayment and thus temporary; the intention of these rich peasants was to utilize colonial law so as to deprive their clients of their land in perpetuity. The process continued over the next two decades.[8]

In his report on agricultural indebtedness in Baroda state in 1913, Manilal Nanavati noted that Patidar peasants practised this more ruthless form of usury chiefly in the Charotar part of the state, and in some talukas around Baroda city which were very similar to the Charotar. Formerly 'it was not considered polite or decent' for peasants to operate in such a way, but in this time of 'industrial revolution' old compunctions were breaking down and socially respectable Patidars dealt in credit in a very unscrupulous manner:

> Their ultimate object is to get land by every possible means, fair or foul. They lend money with a design and do not at all care for the ryot when the object is fulfilled. They are real land-grabbers. They do not permit the owner to cultivate the mortgaged land for fear that his possession may be disputed.[9]

They had thus, according to Nanavati, come to accept the capitalistic ethos — enshrined in colonial law — that land was a commodity they had a perfect moral right to buy and sell according to the operation of the market.

In most cases, however, the land engrossed belonged to members of other, subordinate, communities. Charotar Patidars continued to be wary about grabbing land from their fellows. In cases in which Patidars lent to each other, they normally took land on mortgage on the understanding that it would be returned when the debt was repaid.[10] Older attitudes about the inalienability of such ancestral land continued to be voiced, most notably during the civil disobedience campaigns associated with the nationalist movement, when the British attempted to confiscate and auction off the land of dissident Patidars.[11]

7 Collector's Report, Kheda district, 1878–1879, BA, R.D. 1879, 20.

8 See *Borsad Taluka Settlement Report, 1895,* Bombay, 1895, p. 5.

9 Manilal Nanavati, *Report on the Agricultural Indebtedness in the Baroda State,* Baroda, 1913, p. 22.

10 *Settlement Report of the Choranda Taluka, Baroda Division, 1890,* Bombay 1890, p. 20.

11 For an example of how Vallabhbhai Patel appealed to this emotion, see David Hardiman,

Similar forms of encroachment by Patidar peasants on the lands of members of subordinate communities were seen during this period in adivasi areas. For example, some Patidar peasants who had settled in the area around Jhalod, in the Panchmahals district of Gujarat, lent on interest to Bhil adivasis who occupied neighbouring fields, the main purpose being to eventually gain ownership rights.[12] Patidars acted in a similar way in the eastern part of south Gujarat, where adivasis owned much fertile land suitable for growing cotton and other cash crops.[13] Initially, the adivasis had helped Patidars who settled on uncultivated lands during the nineteenth century, even providing them with loans of seed and produce. Once the Patidars were established, they began to give loans to the adivasis, and then, when the time was ripe, took out court cases and appropriated their land.[14]

On the whole, the peasant-usurers in Gujarat were Patidars, and in some cases Brahman peasants, while their victims were poor Kolis, Dhed untouchables, adivasis or Muslims. Patidars and Brahmans were everywhere in a minority in the peasant population, and as a lot of land was owned by these poorer groups, they could appropriate land by these means without alienating members of their own communities.

In Maharashtra, similar developments were seen at the time in Khandesh, where there were many adivasi peasants. This was another region in which land-grabbing by rich peasant-usurers became marked during the late nineteenth century.[15] The process was much less apparent in the Deccan, where Maratha-Kunbis owned most of the

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Peasant Nationalists of Gujarat: Kheda District 1917–1934, New Delhi, 1981, p. 236.

[12] District Deputy Collector's Report, Panchmahals, 1890–1891, BA, R.D. 1892, 24/1600, pt. 3.

[13] Assistant Collector's Report, Surat district 1913–1914, BA, R.D. 1915, 511, pt. VI; *Bardoli Taluka Second Revision Settlement Report 1925*, Bombay, 1932, p. 12.

[14] Interview with Nanubhai Konkani, Degama village, Valod taluka, Surat district, September 1981. Nanubhai's ancestors had owned about 180 acres of land, but all this, apart from two acres, was gradually lost to Patidars who had settled in an adjoining hamlet in the nineteenth century. Besides using the civil courts and persuading friendly officials to alter the land records, the Patidars also grabbed land illegally, without official sanction. Nanubhai had kept a diary which documented this process between 1915 and 1945. I am grateful to Marieke Clarke, who carried out social work in this village, for letting me see a translated version of this diary. See also her book, *We Are the Original People*, Delhi, 1991, pp. 42–9.

[15] See collector of Khandesh, 26 March 1889, BA, J.D. 1890, 83 II/362.

land. Such a form of usury could only have been operated on a large scale at the expense of poorer Kunbis, which would have caused much resentment within the community. Satara, for example, was a region with many fertile valleys in which cash crops could be grown at a profit. Yet, during the late nineteenth century, the peasant-usurers here do not appear to have used credit as a means to appropriate land. In 1882 the collector reported that after the revolt of 1875 against usury a part of the lending trade passed from Marwaris and Brahmans to Kunbi peasants 'who are able, by being accurately acquainted with the solvency of the borrower and the value of the land offered as security, to lend money on more favourable terms, and who are also content to wait longer before selling up the debtor'.[16] This was the reverse of the situation in Gujarat and Khandesh, where peasant-usurers had become notably more eager than Baniyas to acquire land.

So long, however, as urban merchants and usurers controlled the market in agrarian produce, the benefits of such land-grabbing for the commercially-minded farmer were limited. Therefore, intrinsic to this whole process of economic self-assertion by rich peasants was the battle to gain greater control over the marketing of their crops. This struggle was most apparent in the fertile cotton-growing plains of the region of Gujarat lying south of Baroda city.

For centuries, merchant-usurers had controlled the trade in cotton in this region.[17] Until the 1870s, cotton was ginned by hand at the local level before being exported. During the 1870s, merchants established a large number of steam-driven ginning factories. The merchants, who were predominantly Baniyas, combined amongst themselves to control the price of raw cotton.[18] The gin-owners sold the ginned cotton to the mills in Bombay and elsewhere.[19] During the late nineteenth and early twentieth centuries there was a large increase in the area of land under cotton in this region. The growers were predominantly Patidars and Sunni Bohras, two upwardly-mobile and assertive peasant communities. They were

16 W.R. Pratt, collector of Satara, 4 August 1882, BA, J.D. 1883, 61/63.

17 Ashin Das Gupta, *Indian Merchants and the Decline of Surat c. 1700–1750,* Wiesbaden, 1979, pp. 62–3.

18 Collector's Report, Surat district, 1884–1885, BA, R.D. 1885, 33/1548.

19 J.L. Jenkins, *Jamabandi Settlement Report of the Dabhoi Taluka, 25 February 1888,* BRO, HPO, 263/27, pp. 6–7.

determined to get a good price for their raw cotton, and in 1898 those in Bharuch district formed an agricultural association to fight the gin-owners. The Bombay government refused to place any controls on the gin-owners to prevent their profiteering, even though it was accepted that they were very 'avaricious'.[20]

The struggle continued during the first decade of the twentieth century, with peasants in the cotton-growing regions of Surat district taking out civil suits against gin-owners who had not paid them the full price for their cotton. The peasants also combined to refuse to have any dealings with the gin-owners unless they paid for the cotton in full with cash on the spot.[21] In Baroda state, the peasants were advised in 1909 by members of the State Praja Mandal, or People's Association, that if they held out against the gin-owners for only a limited time they could break their hold, for the gin-owners had contracts with Bombay mills to supply ginned cotton by a certain date, and if they failed to honour the contract they would suffer large losses. The peasants, however, needed cash to pay their land-tax, which had to be paid on exactly the same date. The Praja Mandal took the matter up with the Baroda government, which proved sympathetic. An order was issued delaying tax-collection by two weeks — a period sufficient for the purpose. With the state behind the peasants, the gin-owners were forced to capitulate and pay the peasants a fair price.[22]

By the second decade of the century the balance appears to have tilted in favour of the peasants. It was reported in 1914 that whereas in the recent past cotton merchants had generally settled a price to be paid for cotton after it had been carted by their clients to the ginning factories, now they had to go themselves to the villages and settle a price with the peasants in advance. Not only did the peasants get a much better price as a result, but they were able to even demand that the Baniyas pay them extra for transporting the cotton to the doors of the ginning factories.[23]

[20] See petition by Bharuch Agricultural Association to governor of Bombay, 1 February 1898, and Comment by Collector of Bharuch, 24 February 1898, BA, R.D. 1898, 33/769.

[21] District Deputy Collector's Report, Surat district, 1908–1909, BA, R.D. 1910, 14/511 pt. X.

[22] L.G. Ganekar, *Jamabandi Revision Settlement Report of the Karjan Taluka of the Baroda Division,* Baroda, 1914, p. 19.

[23] K.B. Jhadav, *The Jamabandi Revision Settlement Report of the Baroda Taluka of the Baroda Division, 4 April 1914,* Baroda, 1916, p. 25; K.B. Jhadav, *Opinion on the Revision Settlement*

During the First World War cotton prices soared, and the merchants tried to profiteer by pegging down the price they offered to the peasants for their cotton. In 1919, a Patidar peasant, Purushottambhai Patel, of Sonsak village in Olpad taluka of Surat district retaliated by setting up a cotton sale co-operative to arrange with gin-owners to have their cotton ginned direct. By thus negotiating as a group, the twelve original members got a better price for their cotton. Membership increased to thirty-two in the following year, and again they realized a good price for their cotton. Other villages in the area then formed their own societies. The societies provided credit and good-quality cotton seed to members on condition that they pool their crops for sale. These co-operatives were supported and given financial assistance by the Bombay government, which now followed a policy of encouraging peasant co-operatives. In 1926 Purushottambhai Patel went on to establish a co-operative ginning factory to gin the cotton of these societies. They were now able to negotiate prices for ginned cotton directly with representatives of the cotton mills of Bombay and Ahmedabad. Not only did they get a better price, but the money was handed over immediately (private gin-owners took fifteen to twenty days to make their payment).[24] In 1930 the various cotton co-operatives of Surat district came together in a single union with its headquarters at Surat city. This kept in touch with the latest market prices and negotiated with the factory owners in Bombay and other cities. Similar co-operatives were established in the cotton-growing areas of Bharuch district and Baroda state.[25]

Despite the obvious success of these co-operatives, they were important only in this one region, which was the prime cotton-growing area of western India. Even in 1949 there were only twenty-six such cotton sale and ginning societies in the whole of Gujarat, with a membership of 9206.[26] This was, in other words, a very exceptional development, being the result of a particular conjuncture.

Report of Savli Taluka, 12 February 1914, Bombay, 1914, p. 2; Collector's Report, Surat district, 1913–1914, BA, R.D. 1915, 511, pt. VI.

[24] Testimony of P.I. Patel, Surat, 20 November 1929, BPBEC, vol. III, p. 131; *All-India Rural Credit Survey*, vol. I, *The Survey Report*, pt. 2 (*Credit Agencies*), Bombay, 1957, p. 348; *Report of the Cotton Marketing Committee*, Delhi, 1951, p. 49.

[25] I.J. Catanach, *Rural Credit in Western India: Rural Credit and the Co-operative Movement in the Bombay Presidency, 1875–1930*, Berkeley, 1970, pp. 166–70.

[26] *Report of the Cotton Marketing Committee*, p. 49.

The peasants of this region grew a crop which provided the raw material for the leading sector of capitalist industry in India, and there were strong pressures from the Bombay and Baroda governments for a more 'modern' system of marketing. The state moved from an earlier insistence on laissez faire to support for the peasants in their struggle, and co-operative institutions were sponsored to allow for an alternative system of marketing and primary industrial processing. The dominant peasants of this region had also developed a more capitalistic ethos, and were well-educated and well-informed enough to know how to organize and run co-operatives in an effective manner.

In areas in which these elements did not come together, the cotton trade continued to be dominated by merchants and usurers. For example, there was a large increase in the area under cotton in Bhavnagar state in Saurashtra during the first two decades of the twentieth century. Marketing was, however, monopolized by Baniya sahukars, who forced their clients to hand over their cotton in repayment of debts and recorded very low prices in their account books so as to prevent any diminution in their debts. During the boom in cotton prices at the end of the First World War, these Baniyas united to force their clients to consent to even harsher terms. There was at the time a marked rise in court cases against peasants, with sahukars being awarded the right to seize the valuable standing cotton crops of the peasants by court order. It was reported that the Baniyas were most grasping in this respect in the leading cotton-growing areas of Gadhada, Botad and Lilia.[27] In Bhavnagar state the peasants were denied access to the market by their sahukars, so that they were unable to take any advantage of price rises. In fact, their condition deteriorated as a result of a rise in the demand for cotton.

In most parts of western India, the balance of power in the market continued to rest very firmly on the side of the sahukars during the early twentieth century. This was revealed very clearly in the evidence produced before the *Bombay Provincial Banking Enquiry Committee* referred to in chapter seven. This showed that even in cases in which the Baniyas ceased to lend on crop-security

[27] T.K. Trivedi, *Report of the Khedut Debt Inquiry Commission, Bhavnagar State*, Bhavnagar, 1931, pp. 105–6; *Redemption of Agricultural Indebtedness in Bhavnagar State*, Bombay, 1934, p. 9.

and permitted their clients to cart their produce directly to the market, the benefits for the peasants were very limited, as the sahukars, as a class, continued to control most local markets. The only regions in which peasants had at the time gained significant control over marketing were the cotton-growing regions of Gujarat south of Baroda, Khandesh, and the tobacco-growing areas of the Charotar tract of central Gujarat. The situation remained the same during the 1930s, for the collapse in agrarian prices during the slump weakened the bargaining power of the peasants. In most of Maharashtra, Gujarat and Rajasthan, the Baniyas continued to pay very depressed prices to the peasants for their produce until the end of the colonial period.

III

In the final section of chapter three I argued that the prevailing attitude of the colonial state towards usury continued to be informed by the dogmas of classical political economy well into the twentieth century. During the last three decades of the nineteenth century these dogmas were expressed particularly strongly by 'new conservatives' who wanted to preserve supposedly 'traditional' institutions, such as Baniya usury.[28] Such attitudes did not go unchallenged in official circles. Many district-level officials were deeply concerned with the injustices suffered by the peasants, arguing that unless there were changes in official policy there was likely to be grave social dislocation and possible revolt. Responding to these pressures in 1873, the governor of Bombay, Philip Wodehouse, proposed that agricultural land be exempted from attachment for debt. This radical proposal was vetoed by the Secretary of State in London on the grounds that it would violate existing property rights and also because he felt that it showed an over-sentimental regard for peasant proprietorship.[29] The principles of classical political economy proved, as usual, to be decisive.

The rising of 1875 in Maharashtra led to a reopening of the debate. Some officials felt that the government should step in as

[28] For a review of the ideas of this school of thought, see Ravinder Kumar, *Western India in the Nineteenth Century*, pp. 196–203.

[29] Charlesworth, *Peasants and Imperial Rule*, p. 419.

the chief provider of rural credit; others felt that this would be far too ambitious an undertaking and that at best the government could only try to regulate the behaviour of the sahukars. Wodehouse voiced his support for the latter approach in September 1875.[30] A Commission of Enquiry was appointed to investigate the causes of the revolt. It collected evidence, toured the region and presented its report in the spring of 1876. The commissioners did not show much sympathy for any of the parties to the dispute. The Marwaris were described as being quick-witted, avaricious, insensitive and inhumane, with a marked lack of vision beyond their narrow business interests. The Brahman landlord-usurers were 'as a body fat, lazy rogues, bad landlords, and the most intriguing and scheming lot in the country'. The Kunbi peasants were described as being typical of those 'races low in the scale of intelligence and civilization who live only in the present'.[31] It was argued that the sharp-witted usurers were able to manipulate the system of civil justice against the interests of the supposedly dull-witted peasantry. The commissioners therefore recommended certain changes in the code of civil procedure, such as the abolition of imprisonment for debt, exempting a debtor's necessities from attachment, the registering of debts, a system of pass-books for debtors and other measures which it was hoped would make the courts and the debt-law more friendly for the peasants. The more radical idea of exempting land from sale for debt was not recommended.

Wodehouse was replaced as governor by Richard Temple in April 1877. Temple immediately ordered some changes which were of benefit to the peasants. Agricultural tools, implements and cattle necessary to sustain a livelihood, as well as peasant houses could no longer be attached for debt. The maximum sentence of imprisonment for debt was reduced from two years to six months. A peasant debtor could ask to be declared insolvent. District collectors were reminded that they had the power to object to the forced sale of peasant land, and that they could take the land under temporary government management while a debt was cleared.[32]

[30] J.B. Richey, 30 August 1875; W.G. Pedder, 31 August 1875; P.E. Wodehouse, 31 August 1875 and 17 September 1875; A. Rogers, 19 September 1875, BA, R.D. 1875, 118/1867.

[31] *DRC*, pp. 22–4.

[32] Minute by Richard Temple, governor of Bombay, 15 October 1877, BA, J.D. 1879, 5/955; Woodburn's report, 27 April 1889, BA, J.D. 1889, 81, pp. 11–12.

Temple did not want to stop the sahukars from carrying on their business, for he felt that they performed a useful social role. In his opinion, all that was required was a change in civil procedure which would allow the courts to act more fairly towards the peasants.[33] These principles were incorporated in the Deccan Agriculturists Relief Act of 1879, which gave the civil courts power to review the whole history of a debt, to settle debts at sums the peasants could hope to repay, and to allow these repayments by instalments. Imprisonment for debt was abolished, and peasants could declare themselves insolvent. Debts were to be registered by a village official, and peasants had a legal right to demand statements of account and receipts for repayments from their sahukar. Standing crops could no longer be confiscated for debt. The act also established an alternative system of justice in which debt cases could be settled by local conciliators with the mutual agreement of both parties. The act was applied in the first instance only to the four districts of Pune, Ahmadnagar, Satara and Sholapur.[34]

The measures of 1877 and 1879 tackled some of the abuses of the civil law, and were much resented by the sahukars, who felt that the government was turning against them. In particular, they resented having to hand over their account books for scrutiny by the courts. Many set about rewriting their books, after which they either destroyed or hid away the originals.[35] Many also refused to provide any further advances unless their clients handed over a deed of sale for their land. With such deeds in their grasp the usurers did not need to go to the courts to gain control of their clients' fields. Initially, large numbers of peasants refused to borrow on such terms, and often had to leave a part of their land uncultivated as a result. The sahukars also, in league with local officials such as the kulkarnis, tried to keep the peasants misinformed about the nature of the new legislation.[36] One sahukar, for example, informed his client that the new legislation required land to be sold for debt.[37]

[33] Minute by Temple, 12 November 1877, BA, J.D. 1879, 5/955.

[34] Act XVII of 1879, BA, J.D. 1879, 69/1047.

[35] J.W. Walker, district judge, Ahmadnagar, 26 January 1889, BA, J.D. 1890, 83 part 2/362.

[36] H. Woodward, June 1883, J.D. 1885, 65/1269.

[37] *Report of the Commission Appointed to Inquire into the Working of the Deccan Agriculturists Relief Act, 1891–2*, Calcutta, 1892, Appendix 1, p. IXIX,

They could not however prevent the more substantial peasants in villages near the larger towns from understanding its real intent, and these peasants set about using the provisions of the act to have their debts reduced and regain their land. As one example among many, Mahadev Naryudkar, a schoolmaster-cum-peasant whose grandfather had lost land to a sahukar fifty-five years before, was able to prove to the court that a total of Rs 220 had been repaid for an original loan of Rs 100. This was regarded by the court as sufficient to clear the debt, and it was ordered that the land be returned.[38]

In 1883 an official, H. Woodward, was asked to carry out a survey of the working of the act. He reported that many peasants had come to regard it as 'their charter of safety, and that no measure of Government for many years past can be compared with it in point of popularity'. The peasants felt more secure in their persons and property, and were now able to pay off their debts according to their means and by instalments. They were far less oppressed and harassed by the usurer, and they had 'ceased to regard him with slavish dread and to accord to his dictates a submission which no one else could command'. The sahukars were, he reported:

> ...endeavouring by every effort, by threats, by entreaties, by appeals to past favours, even by small doceurs of ready cash, to induce their clients to come to terms privately. In the Nagar [Ahmadnagar] and Sholapur Districts this year while the crops were still standing, I found them busy, visiting the cultivators who owed them money and consenting eagerly to the best compromise they could get — the debt to be paid after the crop was reaped.

In a few villages, in which the sahukars had formerly been very oppressive, the peasants boycotted them in a way which was designed to break the relationship for good. More generally, however, the peasants had started to rebuild the relationship, but in a cautious way. They no longer carried their entire crop to the house of the sahukar but kept their produce in their own houses and doled out small amounts to the sahukar according to what they could afford. There was a spirit of co-operation amongst the peasants, with the more substantial peasants advancing seed and other necessities to their fellows in a spirit of kinship. The area of land being cultivated was on the increase again, and this was despite the continuing low levels of borrowing. However, a lot of land still lay uncultivated,

[38] M.R.R. Naryudkar, 31 March 1888, BA, J.D. 1890, 83, pt. 1.

and without adequate credit it was hard to see how this situation could be rectified.[39]

During the course of the 1880s the sahukars slowly and painstakingly rebuilt their businesses on their own terms. They set about persuading their clients to settle their old debts on favourable terms and take out fresh loans in which a land-sale deed was handed over as a security.[40] Initially, only a few very impoverished peasants agreed to such terms, and as a result very little was advanced by way of loans. However, as old debt cases were settled in the courts and before conciliators, an increasing number came forward to accept the new terms. What this meant was that the Deccan Agriculturalists Relief Act provided in effect a moratorium on debts contracted in the period before 1879. It had very little relevance to most debts contracted after this date. The figures showing the number of debt-cases settled by the conciliators appointed under the act trace the declining efficacy of the legislation. In 1881, 14,000 cases were settled, in 1885, 9400 cases and in 1889, only 4400 cases.[41]

In 1886 there was a significant watering down of the Deccan Agriculturists Relief Act, when it was ruled that henceforth standing crops could be attached for the repayment of a debt. According to a judge of Ahmadnagar, writing in 1889, this change was greatly resented by a large number of peasants.[42]

In 1888–1889, A.F. Woodburn carried out a further enquiry into the working of the act. He looked at conditions in nine districts of Maharashtra, including the Konkan. He examined a large number of debt transactions, and found that in the large majority of cases the usurers had rewritten the terms to make it very easy for them to gain ownership of the land if they so wished. Woodburn found that whereas borrowing had declined considerably in the four districts covered by the 1879 act, in Khandesh, Nasik, Thane and Ratnagiri districts there had been a marked increase in indebtedness during the 1880s. He felt that this was due to the opening up of the area by the railways, which made agriculture more profitable, and thus

39 H. Woodward, June 1883, BA, J.D. 1885, 65/1269.

40 Collector's Report, Ahmadnagar district 1879–1880, in *Report of the Commission into the Deccan Agriculturists Relief Act 1891–1892,* Appendix VI, p. cl.

41 Figures from annual reports on the working of the Deccan Agriculturists Relief Act in BA, J.D.

42 Judge of Ahmadnagar, 26 January 1889, BA, J.D. 1890, 83 II/362.

more attractive for capital. He did not say whether or not Baniya capital was moving out of the area covered by the act into areas not covered, though this was a possibility.[43]

Woodburn also reported that the sahukars and peasants continued to be on bad terms, and that there was an atmosphere of distrust and sporadic violence. Nasik district led the statistics for cases of riots, murders and arson directed against sahukars. Satara district was not far behind. Ahmadnagar, Pune and Thane districts followed so far as cases of murder were concerned; Ahmadnagar, Sholapur, Pune, Khandesh and Bijapur in cases of 'rioting'. Only in the Konkani district of Ratnagiri had no cases of violence against sahukars been recorded in the preceding five years.[44]

Another survey was carried out in 1891–1892, this time by the Government of India rather than the Bombay government, which again took a generally favourable view of the act. It was however found that the act did not prevent sahukars from continuing to acquire land, largely because they now demanded title deeds as a security as a matter of routine. The system of conciliation came in for some criticism. It was hard to find good conciliators from amongst the class of 'native gentlemen'. They tended to sympathize more with the Baniyas than the peasants, and in combination with the Baniyas often put pressure on the peasants to settle for terms which were not to their advantage. In most cases, the sahukars rather than the peasants were the ones who applied for conciliation. Generally it was felt that the act did not provide adequate protection to the peasants.[45] Denzil Ibbetson, of the Government of India, argued from this that stronger measures were needed, such as restrictions on the free transfer of land. He stated that:

> The evils which have sprung from the gift of the free power of transfer are patent and notorious; they are increasing year by year; and while in some parts of the country they already amount to a positive political danger, in others they must, if left unchecked, amount to danger in process of time.[46]

[43] Report on the Working of the Deccan Agriculturists Act by A.F. Woodburn, 27 April 1889, BA, J.D. 1889, 81, pp. 7–28.

[44] Ibid., pp. 29–32.

[45] *Report of the Commission Appointed to Inquire into the Working of the Deccan Agriculturists' Relief Act, 1891–1892,* Calcutta, 1892, pp. 12 and 60.

[46] Denzil Ibbetson, 26 October 1895, RSA, Ajmer-Commissioner's Office, register 1, SN

The danger was seen to be greatest in the Punjab, no doubt because this province supplied the largest number of soldiers for the Indian army from its peasant population. This concern led to legislation in the Punjab to prevent the transfer of agricultural land from agriculturists to non-agriculturists. This became law in 1901.

In the same year the Bombay government ruled that land which was under the control of the government could in future be granted on a non-transferable tenure. Effectively, this covered only land in certain adivasi tracts in which land title deeds had not yet been granted, or land that had been relinquished due to the destitution of the owner, particularly as a result of famine. In itself, the measure was hardly very radical, but the classes in Bombay Presidency which benefitted chiefly from usury — notably the Baniyas, Brahmans and Parsis — saw this as the tip of an iceberg, and launched a fierce agitation against it. Plans to implement Punjab-style legislation in Bombay were hastily shelved due to this pressure.[47] When the Government of India then pressed the Bombay government to go ahead with such a measure as soon as possible, the latter refused to act.[48] The idea soon became a dead letter in Bombay. In the end, the only area in western India in which such legislation was implemented was Ajmer-Merwara, where a law similar to that of the Punjab Land Alienation Act was passed in 1914.

During the first decade of the twentieth century the Deccan Agriculturists Relief Act was extended to all the districts of Bombay Presidency. An enquiry on the working of the act in 1912 by S.R. Arthur concluded that it had not achieved the results hoped for. The sahukars had learnt to evade the provisions of the law in a number of ways. For example, they frequently wrote in their books a much higher sum than the amount actually advanced, which served to disguise the very high rates of interest being taken. In Khandesh, for example, sahukars routinely wrote down double the amount of the actual loan. The clause in the act that required statements of account and receipts to be provided to peasants on demand proved a dead letter. Furthermore, usurers who had acquired

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216, file B(5)6, basta 19.

47 I. Catanach, *Rural Credit in Western India*, pp. 40–1; Charlesworth, *Peasants and Imperial Rule*, pp. 244–5.

48 Richard Cashman, *The Myth of the Lokmanya: Tilak and Mass Politics in Maharashtra, Berkeley*, 1975, pp. 144–5.

some land often claimed that they were 'agriculturists', and thus entitled to special protection from the courts. Many usurers also managed to have themselves appointed as debt-conciliators under the terms of the act, and they used the status thus acquired to swindle their clients. They could, for example, pretend that they had the same power as a civil court judge to order the confiscation of land — a privilege they did not in fact enjoy — and by this means frighten the peasants into signing debt-bonds on more exploitative terms. The system also gave rise to much corruption, with conciliators often taking bribes. As a result of these abuses the conciliation system was abolished in 1913.[49]

IV

In 1883 and 1884 two acts were passed in Bombay which were designed to allow government loans — known as taqavi — to be given to peasants more freely. Taqavi was to be given at low rates of interest to allow peasants to raise their long-term productivity by digging wells, improving fields, providing irrigation facilities, and so on, with land deeds to be provided as security. Short-term loans were also to be made available as a matter of routine to relieve distress and to purchase seed, manure, fodder, livestock, implements, and so on. To obtain a loan the peasant had to make an application on a prescribed form and present it at the taluka headquarters office. It was then forwarded to the district headquarters and a ruling was made as to whether the full sum or only a proportion should be advanced, or nothing at all. Taqavi could be given only for agricultural purposes. It had to be repaid within four years.[50]

These measures proved a failure from the start. The taluka level officials did their best to prevent applications from being accepted, as a lot of extra work was required to administer them. They had to investigate the application, and then monitor the loan, submitting periodical returns and keeping an eye on improvements made, and

[49] E. Clements, district judge, Belgaum, 9 September 1910 and Bombay Government Resolution, 10 May 1913, BA, J.D. 1914, 2087; *BPBEC*, vol. 1, pp. 179–81 and vol. II, p. 756; V.V. Phadke, 17 June 1936 and P.M. Lad, 25 June 1936, BA, R.D. 3791/33 I.

[50] *BPBEC*, vol. 1, pp. 64 and 82–4; V.V. Divatia, *All India Rural Credit Survey: District Monograph. Ahmedabad* (typescript in Gokhale Institute Library, Pune, 1951–1952), pp. 159–61.

also collect the instalments. As a rule, they would only act if the applicant agreed to pay a percentage of the loan as a bribe. As the peasant had to pay for the application to be written, to be submitted to the officials, and in addition pay a large bribe, the effective rate of interest on taqavi was comparable with, if not more, than the rate taken by the Baniyas. Many district-level officers, moreover, were against the idea of such loans, which they believed sapped the initiative and self-sufficiency of the peasantry, and they were very reluctant to give their consent. When loans were given, the instalments were demanded on the dot, and if peasants failed to find the money their land was auctioned off with undue haste, unless — that is — they shelled out further bribes to officials to delay the proceedings. For these reasons, government loans were requested by only a very few peasants.[51]

In 1904 the Government of India passed the Co-operative Credit Societies Act, which required that provincial governments establish co-operatives as an alternative source of rural credit. The government was to provide the initial finance to get them off the ground.[52] The first societies were established in Bombay Presidency in 1905. A co-operative could be established in a village if at least ten people requested it, and about seven people had to be found who would agree to manage it. Villagers could join on payment of a small entrance fee, and they were expected to subscribe to it according to their means. Money was to be lent at rates of interest lower than those normally taken by sahukars. Borrowers were required to provide good security. Loans were meant to be for productive rather than ceremonial purposes. Repayments could be made in instalments.[53]

Over the next decades there was a slow but steady growth of this alternative system of credit; by 1929 one-fifth of all the villages of Bombay Presidency had societies. The leading district was Bharuch, where 48 per cent of all villages were involved, followed by Dharwar with 45 per cent, East Khandesh with 38 per cent, Sholapur and

[51] Y.M. Kelkar, 3 November 1887; M.G. Ranade, 17 November 1887; collector of Nasik 1888; J.K. Spence 1888, BA, R.D. 1890, 220 A; C.S. Campbell, 28 February 1908, BA, R.D. 1908, 80/428 pt.1.

[52] I. Catanach, *Rural Credit in Western India*, pp. 50–3; R. Kumar, *Western India in the Nineteenth Century*, p. 251.

[53] Leaflet on Co-operative Credit Societies by J. Mc Neil, January 1905, BA, R.D. 1905, 74/902.

Pune with 28 per cent, Kheda with 27 per cent, Surat and the Panchmahals with 24 per cent, and Belgaum and West Khandesh with 21 per cent. In other districts the figure was below 20 per cent. There were in all 369,501 members. If we assume that each member represented a family of five people on an average, about 13 per cent of the total population of the nineteen districts of the presidency (excluding Bombay city) was thus covered. As the population total included some urban areas — such as Pune city — the percentage of the rural population covered would have been larger — perhaps nearer a fifth.[54]

Further slow advances were made over the next twenty years. A survey conducted in 1950–1951 under the auspices of the Reserve Bank of India showed that co-operatives and commercial banks had begun to rival professional usurers and traders as suppliers of rural credit in certain districts. As yet, however, these districts were an exception. The figures for the six districts surveyed in the Gujarat and Maharashtra regions of what had been Bombay Presidency were as follows. They show the percentage of the total sum of rural credit advanced by different agencies.

Table 1

District	*Co-operatives and Commercial Banks* %	*Professional Moneylenders and Traders* %
West Khandesh	26.3	27.6
Bharuch	17.8	35.6
Pune	16.6	55.4
Ratnagiri	13.3	48.3
Kolhapur	11.0	69.8
Ahmedabad	4.8	45.3

Source: *All-India Rural Credit Survey*, vol. I, *The Survey Report*, part 2 *(Credit Agencies)* (Bombay 1957), pp.3, 11–22. Peasant borrowing from commercial banks was minimal at the time, so the first column represents mainly co-operative borrowing. These figures show the two major sources of credit only. Other less important sources, not listed here, were relatives, government, peasant-moneylenders and landlords. Only a few districts were selected for the survey.

[54] Figures from table in *BPBEC*, vol. II, p. 240.

Outside Bombay Presidency, the most dramatic progress appeared to have been made in Ajmer-Merwara, where by 1929 there were more co-operative societies than villages (554 societies and 407 villages).[55] This success was however superficial. Figures from 1946–1947 for the government villages (as opposed to villages under jagirdars) of Ajmer tehsil of Ajmer district showed that while 77.3 per cent of rural credit came from mahajans — that is, professional Baniya usurers — only 4.5 per cent came from co-operatives.[56] Some princely states of western India also took up the initiative. Foremost in this respect was Baroda state, where co-operative credit societies were established from 1905 onwards. By 1929, 21 per cent of all the villages of the state had societies, and about 8 per cent of all landowners were members of societies.[57] In Saurashtra, Bhavnagar state was to the fore, with 214 societies in 1948. Other states lagged behind, for example, Junagadh state had only 28, and Porbandar state only three societies in 1948.[58] In the princely states of Rajasthan almost no attempts were made to start co-operatives before 1947.

This was reflected in the 1950–1951 figures for districts which had previously been under princely rule. Again, these showed the percentage of the total sum of rural credit advanced by different agencies. (See Table 2.)

The progress of the co-operative movement was therefore very uneven. In many areas it was hampered by the opposition of sahukars, who saw it as a threat to their business. Many sahukars warned their clients that if they joined a co-operative they would demand immediate repayment of all debts and a severing of future relationships.[59] As the co-operatives were permitted to provide loans only for agriculturally productive purposes, and not for social and ceremonial expenditure, which was often a major reason for borrowing, the peasants could not afford to alienate their sahukars.

[55] Lal Sinha Saktawat, 'Report on the Investigation into Rural Indebtedness in Ajmer-Merwara 1946–1947', RSA, Ajmer-Rajputana Agency 'A' Branch, SN 182, file A/2-7-II, pad 49, 1947, p. 72.

[56] Ibid., p. 70.

[57] *Baroda Banking Inquiry Committee 1929–1930: Report,* Baroda, 1930, pp. 65–6 and 70.

[58] *Report of the Agricultural Debt Inquiry Committee, Saurashtra,* Rajkot, 1953, p. 33.

[59] S. Wilberforce, *Report on the Working of the Co-operative Credit Societies in Ajmer-Merwara,* Mount Abu, 1914, p. 10.

Table 2

District	*Co-operatives and Commercial Banks* %	*Professional Moneylenders and Traders* %
Junagadh	8.1	80.8
Sirohi	1.6	66.9
Barmer	0.9	63.2
Chittorgadh	0.9	90.9
Sawai Madhopur	0.6	90.8
Jaipur	0.2	91.4
Churu	0.1	54.1

Source as in Table 1. Junagadh was at the time known as 'Sorath' district. This was the only Saurashtra area surveyed. The other six districts in the table were in Rajasthan, being under different princely rulers until 1947–1948.

The co-operatives did not prove an effective replacement for the sahukars in many other crucial ways. Loans could be granted only after an enquiry had been made into the state of a peasant's financial affairs. This was a cumbersome and slow process, and often a loan was sanctioned after the need for it had passed. According to a representative of a peasant association in Bharuch district:

> It is very difficult and wasting of time in getting money from the co-operative societies and then too it is not to be had in time, because the loan application of a farmer has to go through the secretary of the society, supervising union, its inspector, district bank committee, its chairman, inspector and organisers and even then the report is returned if there is any mistake.[60]

The sahukars, on the other hand, provided a loan the moment it was required. In addition, peasants felt that the public enquiries conducted into their financial affairs before a loan was sanctioned cast doubts on their abru, leaving them feeling humiliated and insulted and with their 'credit' often destroyed. Sahukars were as a rule more discreet in this respect. The amounts of money sanctioned for loans were frequently less than had been requested, being inadequate for the purpose intended.[61]

[60] Evidence of Chhotalal Gandhi, representative of the Ankleshwar Taluka Khedut Mandal, Bharuch, 27 November 1929, *BPBEC*, vol. III, p. 336.

[61] Evidence of S.B. Wadekar, Dhule, 14 November 1929, *BPBEC*, vol. II, p. 776; evidence

Repayment demands were made inflexibly by co-operatives, and peasants who defaulted were likely to lose land. Whereas legislation had to some degree checked the Baniyas' power to grab land, the co-operatives enjoyed considerable powers of coercion. This became a particularly grave problem during the 1930s, when the depression in prices made it very hard for peasants to repay loans, leading to the co-operatives taking harsh action against them. The general experience of the peasants during the early twentieth century was that the sahukars tended to be more flexible over repayment, gauging the peasant's capacity to repay depending on a range of circumstances, adjusting demands accordingly, and foreclosing less ruthlessly than the co-operatives.[62]

In many cases the wealthier and more influential peasants refused to join their village societies. They did not want their financial affairs scrutinized in public, and the amounts of money they needed to borrow were often greater than the maximum loans which co-operatives were allowed to give. Being credit-worthy, they could obtain loans from urban sahukars at interest rates lower than those of the co-operatives. Although co-operative interest rates were lower than those taken normally by sahukars, they were not all that low, commonly ranging from between 9 and 11 per cent. In Kheda district, for example, many wealthy Patidars refused to join the co-operative as they considered their interest rates too steep. In addition, such rich peasants often carried on their own usury and considered the societies to be in competition with them.[63] In Kheda, as a result: 'The societies are mostly found in the poorest of villages and the members are mostly of the poorer classes and small landholders or tenants-at-will.'[64] The same was true in Bharuch district, where there was a particularly high proportion of villages with co-operatives. An attempt was made here by the Jambusar People's Co-operative Bank to sanction loans of upto Rs 3000 against the security of the cotton crop, but this was vetoed by government

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of C.M. Gandhi, Surat, 18 November 1929, *BPBEC*, vol. III, pp. 10–11.

[62] Evidence of Bhimbhai Naik, Surat, 18 November 1929, *BPBEC*, vol. III, pp. 50–1; J.C. Kumarappa, *A Survey of Matar Taluka*, Ahmedabad, 1931, pp. 99–102; Secretary to R.D., Bombay, 23 September 1943, BA, R.D. 1935, 3403/28 III.

[63] A.C. Report, Kheda district, 1905–1906, BA, R.D. 1907, 12/511pt. 2; Collector's Report, Kheda district 1912–1913, BA, R.D. 1914, 511 pt.3.

[64] Evidence of Trikamlal Parikh, Nadiad, 1 December 1929, *BPBEC*, vol. III, p. 441.

officials, who ruled that the ceiling should be Rs 1000. Because of this, many of the larger and more influential peasants of the area lacked interest in the co-operatives.[65] The bulk of the members were small peasants with about five acres of land.[66]

The richer and better educated peasants who possessed the skills needed to run societies thus tended to remain aloof, while the majority of members were relatively poor and illiterate, and lacked such ability. This meant that either local officials had to do much of the organizing, or that other people with the necessary skills were required to volunteer. This provided an opening for sahukars to have themselves appointed chairmen or to other positions of influence in village societies.[67] Once in control, the sahukars encouraged their clients to clear their old debts by borrowing from the co-operative, in this way transferring their client's debts from their books to those of the society. They then ran the organization as their own sahukari business, enjoying the extra powers of coercion available to co-operative organizers. This was often done with the complicity of local officials, who were saved the trouble of organizing and running the co-operative themselves. Attempts were occasionally made to prevent sahukars from dominating village societies in this way, but they frequently managed to worm their way back in one way or another.[68]

The initiative to start co-operatives came in almost all cases from the government and not from the peasants. As a result, the peasants tended to view this as a new system of *sarkari*, or government credit, in which loans were provided at lower rates of interest. They regarded themselves as clients of the sarkari sahukar, rather than as members of a co-operative society. For example, when peasants in Ajmer were asked in 1914 whether they were members of their village co-operative, few understood the question. When, however, the question was rephrased: 'Have you borrowed from the government

[65] Evidence of Thakoram Mehta and Vandavan Jadav, Surat, 19 November 1929, *BPBEC*, vol. III, pp. 105 and 118; evidence of A.V. Malji, Bharuch, 22 November 1929, ibid., pp. 190–1.

[66] K.M. Thakore, 8 May 1939, BA, R.D. 3791/33 XIV.

[67] Evidence of Thakoram Mehta and Vandavan Jadav, Surat, 19 November 1929, *BPBEC*, vol. III, pp. 105 and 118; evidence of I.T. Almaula, Moosabhai Hasanbhai and Padamji Illava, Bharuch, 25 and 27 November 1929, ibid., p. 253, 285 and 230.

[68] Evidence of The Provincial Co-operative Institute, Bombay, 24 September 1929, *BPBEC*, vol. II, pp. 89–90; I. Catanach, *Rural Credit in Western India*, pp. 63–4.

bank?' they knew what was meant.[69] The officials responsible for supervising the co-operative societies commonly made no attempt to inculcate a spirit of co-operation amongst the peasants; rather, they ran the societies as if they were themselves Baniya usurers. As one official commented in 1919 on the co-operatives of Merwara: 'I was really shocked to see the staff on my arrival here. Nobody knew the principles of co-operation. Their minds were full of 'Baniaism'. Their ideas were to run the societies just like money lending shops.'[70] Often they were more harsh than the old usurers: one co-operative inspector of Ajmer was reported to have been in the habit of beating members with his shoe when they failed to repay their loans promptly, something no Baniya sahukar of that area would have dared to have done.[71]

This was the case in many other parts of western India. In the Panchmahals district of Gujarat — where the movement appeared from the statistics to have been very successful in the 1920s — government officials merely used the machinery provided by the state to operate a system of usury which differed little from that of the sahukars. For example, in the predominantly Bhil talukas of Dahod and Jhalod, the official in charge of organizing the co-operatives arranged for the existing sahukars to provide seed for their clients, after which they were paid from co-operative funds. Hired strongmen were employed to collect co-operative dues from the peasants. The sahukars thus enjoyed a much stronger government backing in their activities.[72] A similar situation prevailed in west Khandesh, where it was reported that 'the whole thing is a Government show run by non-Government money'.[73] In the sugar-growing areas of Maharashtra, the co-operatives only advanced loans on condition that land was mortgaged to the society — a typical sahukar-style

69 S. Wilberforce, *Report on the Working of the Co-operative Credit Societies in Ajmer-Merwara,* Mount Abu, 1914, p. 6.

70 Lala Jai Gopal Puri, 25 June 1919, RSA, Ajmer, C.C. branch, SN 869, file 1107, pad 54 B, 1919–1927.

71 Evidence of K.C.K. Sarda, 11 December 1929, *Banking Enquiry Committee for the Centrally Administered Areas 1929–1930,* vol. III, *Evidence taken in the Province of Ajmer-Merwara,* Calcutta, 1930, p. 104.

72 Evidence of I.T. Almaula, Bharuch, 25 November 1929, *BPBEC,* vol. III, p. 258; I. Catanach, *Rural Credit in Western India,* pp. 163–4.

73 Note of discussion by Registrar Co-operative Societies with Collector of West Khandesh and Others, 22 January 1941, BA, R.D. 3791/33 XV (d).

security. In the late 1920s, when sugar prices had slumped and the sugar-growers could not repay their debts, the co-operatives employed muscle-men to force the peasants to bring their gur to the godowns of the co-operative banks.[74]

The village co-operatives were funded by agricultural banks established by the government in important local towns. Some initial capital came from the government, but the aim was to attract deposits from local men of capital who would be paid a dividend from the profits of the bank. What this in effect meant that the bigger urban sahukars who provided the capital for the village-level sahukars were able to invest in a new system of credit which had the advantage of strong official backing when it came to collecting debts. In Ajmer, for example, the government bank made a clear profit of 27 per cent on its paid-up capital in 1919, and was able to pay a dividend to its shareholders of 12 per cent, which was about double the amount of interest they earned from loans to village-level sahukars. As an official who investigated the situation in Ajmer said: 'The town shareholders are in fact merely bleeding the villagers under Government supervision.'[75] This was also true in Navsari district of Baroda state, where the agricultural banks came to be controlled by shareholders who were from the sahukar class. In 1924, some of these banks were forbidden to give loans in kind to individual peasants, as these usurers used the machinery of the societies to run their businesses more effectively. They advanced so-called 'co-operative' loans of grain from their grain stores to their existing clients and then used the government tax-collection machinery to collect their dues.[76]

Although the co-operative movement enjoyed success in some areas in the years before Indian independence, in most cases it failed to break either the power or culture of Baniya usury. Peasants often stayed away from the co-operatives because they found them inadequate for their needs and unpopular with their sahukar-patrons whom they could hardly afford to alienate. When societies did

[74] Sumit Guha, *The Agrarian Economy of the Bombay Deccan 1818–1941*, pp. 128–9.

[75] H. Calvert, 'The State of the Co-operative Movement in Ajmer-Merwara, 1919', RSA, Ajmer C.C. branch, SN 869, file 1107, pad 54 B, 1919–1927. For a similar state of affairs in Gujarat, see the evidence of I.T. Almaula, 25 November 1929, *BPBEC*, vol. III, p. 256.

[76] *Baroda Banking Inquiry Committee 1929–1930: Report*, Baroda, 1930, pp. 98–104.

operate in a seemingly effective manner, it was often because officials or even sahukars ran them as a modified form of sahukari business, imbued with the mentality associated with the old relationship between the sahukar-patron and peasant-client. This mentality prevailed in many parts of western India throughout this period, though in some areas it was challenged. It is to this challenge, seen in movements of assertive revolt by peasants against the whole institution of sahukari, that we shall now turn.

V

In most of the revolts described in this book the attack was not on the institution of usury as such. They were, rather, protests against violations of certain standards of behaviour expected of sahukars, and the aim was to ensure that the usurers would think twice before acting in such a way in future. This was the case in the risings in Ajmer in 1891, in the Panchmahals in 1899, and even with the Koli bandits, who carried on their resistance throughout the colonial period. None of these peasants had a vision of the different ways in which their agriculture could be financed; all they wanted was a more just form of sahukari.

This was not altogether true of the rising in Maharashtra of 1875. It was, without doubt, precipitated by feelings that the sahukars were breaking certain moral rules in a particularly blatant manner. There was, however, a strong element within it of a more radical revolt against usury. In many villages the peasants continued to boycott the usurers long after the actual rising, refusing to have any social interaction with them or hand over their crops in repayment of their debts. It was reported from Shirur and Indapur talukas in July 1876 that only fear of punishment by the government prevented the peasants from attacking their sahukars once more. The sahukars, who wanted above all to restore the relationship on amicable terms, tried to act in a conciliatory manner, in several cases agreeing to allow panchayats to settle the amounts owed to them. However, when these panchayats came to make their rulings it was found that relations between the peasants and the sahukars were so bad that in most cases it was impossible to reach a verdict acceptable to both parties.[77]

[77] A.C. Report, Pune district 1875–1876, BA, R.D. 1876, 11 pt. I/1521.

In Supe, for example, the Gujarati Baniya sahukars handed over the debt-bonds they had managed to save from destruction to a panchayat of Brahmans, but the peasants adamantly refused to agree to any terms.[78]

The animosity continued. In 1876–1877 there was a severe famine, and, as was common during famines, many sahukars failed to support the peasants in their hour of need.[79] There were violent attacks on sahukars, involving the looting of grain and other valuables, as well as the burning of debt-bonds.[80] The famine was followed by two years of dearth. Villages were depopulated, and many sahukars took refuge in the larger towns and ceased operating for the time being.[81] The peasants who continued to cultivate helped each other out so as to avoid having to borrow from the sahukars. A survey of 1883 found the boycott continuing in certain villages. In these places the sahukars were unable to find tenants for the land they had bought and had to bring labourers from afar to cultivate it. The latter often left in a hurry after being threatened by the peasants. Cattle was encouraged by the villagers to graze on the Baniyas' crops. 'The entire community, from the patil downwards, appeared to be leagued together against him.'[82]

In the 1870s, the revolt against usury in Maharashtra was directed chiefly against Baniyas, and it was initiated and led by the peasants themselves. In the 1880s a new leadership emerged which developed a more radical programme and new targets of resistance. This came about above all through the emergence and growth of Jotirao Phule's Satyashodak Samaj. Phule had two main targets: caste and sahukari. These two targets came together in the figure of the Brahman usurer; but this was not merely a non-Brahman movement, as often characterized. In his *Shetakaryacha Asud* (The Cultivator's Whip-Cord) of 1882–1883, Phule condemned both Brahman and Baniya sahukars for their gross exploitation of the peasantry of Maharashtra.[83]

[78] District superintendent of police, Pune, 17 December 1875, BA, J.D. 1875, 82/730.

[79] Deputy Collector's Report, Pune district 1876–1877, BA, R.D. 1877, 17/1256.

[80] Collector's Report, Ahmadnagar district 1877–1878, BA, R.D. 1878, 8/1046.

[81] For example, see Collector's Report, Satara district 1879–1880, in *Report of the Commission into the Deccan Agriculturists Relief Act 1891–1892,* Appendix VI, p. CLXIII.

[82] Woodward, June 1883, BA, J.D. 1885, 65/1269.

[83] Rosalind O'Hanlon, *Caste, Conflict, and Ideology: Mahatma Jotirao Phule and Low Caste Protest in Nineteenth-Century Western India,* Cambridge, 1985, p. 260.

In the 1880s there was a powerful movement in Junnar taluka of Pune district against the Brahmans and other sahukars of about forty villages, led by peasants who had joined the Satyashodak Samaj. In 1884 they refused to till the fields of any sahukars and resolved not to use the services of Brahman priests. The priests of the village of Otur took out a case against a leading Kunbi after he performed the marriage of his daughter without a Brahman. They held that they had a right to perform such services and be paid for it. The Kunbi, helped by Phule, fought the case to the High Court in Bombay, where he won.[84] Similarly, in the southern part of Thane district, many Mahadev Kolis refused to use the religious services of the Brahmans, whose occupations they described in a petition of the mid-1880s as being those of village priests, kulkarnis and sahukars. Because of the boycott, the Brahmans refused to advance any loans to the Kolis.[85] The boycott extended to the Koli villages of Pune district over the next three years.[86] In 1890, there were clashes between the followers of the Satyashodak Samaj and the Brahmans in Satara district.[87]

In the 1890s the influence of the Satyashodak Samaj spread to Khandesh in the north and Kholapur in the south, being consolidated amongst the peasantry with the founding of a large number of branches. It continued strongly during the first half of the twentieth century, opposing the hegemony of a class popularly known as the Shethjis and Bhattjis — that is, the Baniyas and Brahmans. These tensions led at times to outright conflict, as, for example, in Parner taluka of Ahmadnagar district in 1933–1934, when the peasants refused to till the land of any sahukar — whether Brahmans, Baniyas or a member of any other caste — for two succeeding years. Many peasants left their villages and sought work in Bombay and Pune so as to sustain themselves during this period. False charges of instigating riots were taken out against some of the peasants by the government, which eventually helped to break the movement.[88]

[84] Ibid., pp. 278–81.

[85] Petition by the Kolis of Thane district, no date (probably 1885 or 1886), BA, J.D. 1886, 42.

[86] H.F. Silcock, 11 May 1888, BA, R.D. 1888, 345/1813.

[87] Charlesworth, *Peasants and Imperial Rule*, p. 227.

[88] Interviews with Vinayakrao Auti, Parner town, and Vinayak Mahadev Vare, Panoli village, Parner taluka, December 1988.

Similar opposition was seen in Akola taluka of the same district, where in 1937 some Mahadev Koli peasants boycotted their sahukars under the leadership of nationalist activists who were not of the community.[89]

The peasants of this region were very conscious that their fight against sahukars was a longstanding one, dating back to the revolt of 1875. In 1941 some peasants of Bhimthadi and Indapur talukas of Pune district stated this fact very clearly in a petition to the government.[90] Despite this, they continued to be exploited by sahukars, which showed that changes in consciousness and continuing struggles, although very important, could not in themselves undermine a system of surplus-extraction supported by the state. Individual Baniyas might act more fairly, or even become so demoralized as to abandon their business, but so long as the system had the support of the officials and the courts, other usurers would always come forward to replace them. Only state action, responding to and building on peasant demands and protests, could bring about profound structural change.

This was also the case with another sustained revolt against usury — by the peasant and artisan communities of Sirohi state in southern Rajasthan. This was an area in which there were many Girasia and Bhil adivasi peasants who had a tradition of taking direct action against exploitative usurers. During the first two decades of the twentieth century the Baniyas enhanced their power over these peasants considerably. The maharaja had replaced the old system of paying land tax according to the number of ploughs used by the bighoti system, in which tax was paid according to the amount of bighas of land held. The land was surveyed, and title deeds were sold by auction. In most cases, Baniya usurers managed to buy these deeds, with many peasants becoming their tenants.[91]

The grievances of the peasants were taken up by a local sadhu called Anup Das, who in 1911–1912 published a pamphlet in Hindi titled *Jagat Hit Karini* which denounced the Baniyas. He described them as *rakshasas*, or 'devils', and blamed them for various

[89] G.S. Ghurye, *The Mahadev Kolis*, Bombay, 1957, p. 215.

[90] Petition by peasants of Bhimthadi and Indapur talukas of Pune district, 12 May 1941, BA, R.D. 3791/33 XIII.

[91] K.D. Erskine, *A Gazetteer of the Sirohi State*, Ajmer, 1910, pp. 276–7; *The Sirohi State Administration Report 1940–41*, Ajmer, 1942, p. 35.

catastrophes such as famines, diseases, early child-deaths, and solar and lunar eclipses.[92] In another publication he called them *Lanka ke Dhed* or 'untouchables from Sri Lanka'. A colleague of his called Harchand Soni composed anti-Baniya songs, which were sung as bhajans. The aim was to stigmatize the Baniyas as aliens and foreigners to the region.[93]

In 1920 Anup Das founded an association called the Anup Mandal with the aim of fighting the Baniyas in a more systematic way. He held a meeting at Palri village in May 1920 attended by nearly a thousand of his followers. The most vocal of his supporters were members of artisan communities — notably Suthars, or carpenters — who often cultivated small plots of land besides carrying on their trade, but many Girasias and even poorer Rajputs also came. After the meeting was concluded they marched to Sirohi town and demanded an audience with the maharaja. They were told to go away and come back later. They left the town and marched around the adjoining region, demanding that the Baniyas accept the teachings of Anup Das. Those who refused were assaulted and forced to hand over supplies of grain. In several cases local Rajput jagirdars stood by and watched while the Baniyas were attacked. At Padwa village they attacked a Jain dharamshala, beating the Jain sadhus and burning some old manuscripts. These attacks went on for about a week, after which the state authorities sent the police to arrest the ringleaders. About seventy-five followers were tried, of whom forty-six were given prison sentences of between three and nine months. Those tried were a very mixed group, being members of the potter, carpenter, oil-presser, drummer, gardener and transporter castes, as well as Rajputs, Girasias, untouchables (Dheds) and even one Brahman. They came from twenty-nine different villages in all. *Jagat Hit Karini* was proscribed and orders were given that all copies should be seized and destroyed.[94]

The movement continued, however, with activists organizing meetings and song-sessions in which anti-Baniya sentiments were

[92] Notification by Home Department of Rajasthan government, 5 August 1957, against Sadhu Anup Das, *Jagat Hitkarini*, Bombay, Sanvat, 1968. Sirohi Jila Sangh to the chief minister of Rajasthan, 10 October 1963. I am grateful to Denis Vidal for these references.

[93] N.K. Singhi, 'A Study of Jains in a Rajasthan Town', in Carrithers and Humphries (ed.), *Assembly of Listeners*, p. 156.

[94] Criminal Case no. 339 of 1919–1920, Sirohi state. Photocopy provided to me by Denis Vidal.

propagated. Anup Das encouraged a personality cult, with special Anup Mandal huts being built in villages where his photograph was displayed.[95] The maharaja, who was under the influence of Oswal Jain Baniya ministers, ordered that the association be banned. However, it continued to operate underground. In the 1930s the maharaja came into conflict with many of the Baniyas of the state, who were at the time leaning towards the nationalist movement and demanding democratic reforms in Sirohi. To counter this, he relaxed restrictions on the Anup Mandal and passed some anti-Baniya laws, restricting their trade and usury. The Rajputs of the state rallied to his side, declaring that they wanted his rule rather than Baniya raj.[96] In 1943–1944 he had a law passed which stopped sahukars purchasing agricultural land.[97] Although this infuriated the Baniyas, the measures were not implemented in any serious way, and no alternative system of credit was provided.

In the first elections after independence, the Anup Mandal supported a Rajput candidate who was standing against a Baniya who had been involved in a nationalist agitation. The Rajput used some strong anti-Baniya rhetoric in his campaign, which won the votes of the peasants. During the 1950s the Anup Mandal had a lot of political influence in what was now Sirohi district, being wooed by various parties.[98] Despite all this, the power of the Baniya sahukars was not undermined in the area very significantly. The Girasia peasants were a poor adivasi community without access to non-sahukari credit, the state failed to provide any adequate alternative, and they continued to have to depend on borrowing from the Baniyas to carry on their agriculture. The conflict continued over the next three decades, flaring up whenever the rains failed. According to some local Jain Baniyas, in a letter to the Chief Minister of Rajasthan government in 1963:

[95] Sirohi Jila Jain Sangh to the Chief Minister of Rajasthan, 10 October 1963.

[96] This information comes from files of clippings from Rajasthani newspapers in RSA, Bikaner state, Foreign and Political Department, Newspaper Cutting Branch, file 53 of 1936; *Administration Reports of the Sirohi State, 1935–1936*, p. 3; *Times of India*, 6 February 1939.

[97] *The Sirohi State Administration Report 1943–44*, Sirohi, 1945, p. 14.

[98] N.K. Singhi, 'A Study of Jains in a Rajasthan Town', in Carrithers and Humphries (ed.), *Assembly of Listeners*, p. 141; interview with Komal Kothari, Jodhpur, July 1987.

Whenever there is any natural calamity — famines, starvation, heavy rains, droughts, small-pox or plague they go round in the name of 'Anop Mandal', collect people for Bhajans & 'Melas' and preach that calamities are engineered by the Jains and their monks to raise prices and profit thereby.[99]

By the 1960s, the influence of the Anup Mandal had spread among the adivasis and other peasants of the adjoining districts of Jalor, Pali, Barmer, Udaipur and Sabarkantha (which is over the border in Gujarat). The attacks on Baniyas and Jain sadhus continued. In 1985, when I was engaged in research in the region, there were reports in a local newspaper of Bhil peasants of the region breaking the legs of Jain sadhus whom they believed were casting spells to prevent rain.[100]

Although it is very clear that the sahukars of this area had for many years lacked moral authority, it is also the case that they continued to carry on their business in a highly exploitative manner.[101] If anything, their lack of moral authority made them more vicious in their usury. Something of a stalemate had been reached, with the government seeing the attacks on the usurers and Jain sadhus as only a minor problem of law and order. The government did not feel compelled to tackle the underlying problem in a serious way, by providing alternative systems of credit which would displace the Baniyas. The form of protest and political tactics adopted by the Anup Mandal did not therefore prove very fruitful.

For some adivasis the struggle against usury proved more successful. In south Gujarat, for example, the adivasis had lost a lot of land to Baniya usurers in the late nineteenth and early twentieth centuries and had become their tenants, cultivating what had once been their own fields. They suffered more, however, from the oppression of Parsi liquor dealers. Under colonial law, peasants were not allowed to make liquor in their homes, as they had in the past, but had to buy taxed factory-made liquor from licensed shops. In south Gujarat, these were run almost entirely by Parsis, who provided the liquor and then ensnared the adivasis in debt. In this way they grabbed large amounts of land from indebted peasants. They

[99] Sirohi Jila Jain Sangh to the Chief Minister of Rajasthan, 10 October 1963.

[100] *Rajasthan Patrika* (Udaipur edition), 15, 16 and 19 July 1985.

[101] For a harrowing account of continuing exploitation by sahukars in the *adivasi* tracts of southern Rajasthan, see Shreekant Khandekar, 'Money-lenders: Their Pound of Flesh', *India Today*, 31 January 1986, pp. 140–3.

cultivated much of this land themselves, using bonded labourers and those in debt to them. This form of semi-feudal exploitation was particularly resented by the adivasis, and during the 1920s they launched a very successful campaign of resistance, directed almost entirely against the Parsis. Solidarity was forged by a mass resolve to abstain from drinking liquor, eating meat or fish and boycotting the Parsis.[102]

On the whole, the adivasis who took part in this movement showed a marked lack of antagonism towards the Baniya usurers. In part this was because, as vegetarians and non-drinkers, the Baniyas were looked up to as exemplifiers of the way of life towards which the adivasis were striving. In its later stages the movement did begin to develop an anti-Baniya thrust, largely through the influence of educated adivasis who understood more clearly that the exploitation of both the Parsis and Baniyas had common roots. But before the movement had a chance to develop strongly in such a direction, Gandhian nationalists became involved and deflected the attack away from the Baniyas. Many of the Gandhian leaders were themselves Baniyas, or were sympathetic to their activities. Vallabhbhai Patel, in a speech to the peasants of the area in 1928, went so far as to say:

> ... for you, your shahukar is everything. You should laugh at and consider him a fool if someone says that you should change your shahukar. It is just like saying to a *pativrata* [a chaste and dutiful wife] that she should change her husband. How can you leave the shahukar who has helped you in your difficulties.[103]

The Parsis had a reputation for being loyal to the British, and the movement against them posed no challenge to the Baniya, Brahman and Patidar elites who provided much of the leadership of the Gujarat Congress. The movement could be integrated into the anti-colonial struggle without great difficulty. Also, the opposition to liquor dealing was in tune with Gandhian ideals.

Resistance to the landlords as a class — which included the Baniyas — developed in this area only in the late 1930s under the leadership

[102] David Hardiman, *The Coming of the Devi: Adivasi Assertion in South Gujarat*, New Delhi, 1987.

[103] Quoted in Ghanshyam Shah, 'Traditional Society and Political Mobilization: the Experience of Bardoli Satyagraha (1920–1928)', *Contributions to Indian Sociology*, new series, 8, 1974, p. 101.

of Kisan Sabha activists who were aligned to the Communist party.[104] The movement developed most strongly amongst the Dhodiya adivasis of Pardi and Valsad talukas in the south of Surat district. Many of them had lost their land to Baniya sahukars. Some had become tenants, but a large amount of the land had been left as waste so that grass could be harvested annually for the profitable Bombay fodder trade. This was a major grievance, as the only employment left to the erstwhile peasants was to cut and transport the grass to depots on the railway for very meagre wages, paid only a few weeks each year. In many cases, Baniyas forced those who were in debt to them to labour for no wages. In the mid-1930s some Dhodiyas of Paria village were involved in a dispute with their Baniya over the ownership of some land in the village. The Baniya, in league with the local police, had thirteen of the Dhodiyas arrested and charged with various criminal offenses. They each received a sentence of one year's imprisonment. Their fellow villagers took the matter up in 1937 with a local Congress worker, Thakorbhai Patel, who was a Dhodiya adivasi. He and a leading Congressman of Valsad called Burjorji Vikaji — a Parsi — appealed against the sentences, as a result of which the thirteen were acquitted.

The Pardi and Valsad Taluka Congress Committees were however dominated by Baniyas and Anavil Brahmans of the sahukar and landlord classes. The two activists realized that they would get little backing from colleagues such as these and in 1938 joined the Kisan Sabha and began actively to organize a wider resistance to the sahukars and landlords. Both were subsequently expelled from the Congress by the pro-landlord and Baniya groups which controlled the local committees.

In his speeches, Thakorbhai Patel advised the peasants not to pay rent to their sahukar landlords and not to repay their debts. In private, he encouraged them to rise up and burn the account books of the Baniyas. Kisan Sabha meetings were held in other parts of south Gujarat, attended by leaders such as Indulal Yagnik and D.M. Pangarkar. The peasants were advised not to hand over more than a third of the share of their crop to sahukar landlords, rather than half, as was the norm. In Mandvi taluka, many Chodhri

[104] The following history of the Kisan Sabha movement in south Gujarat is based on records in BA, H.D. (Sp.), 800 (53)-BC of 1939; BA, H.D. (Sp.), 1019 of 1940–1941; BA, H.D. (Sp.), 800 (53) BC-II of 1942.

adivasis agreed to unite and prevent their landlords from taking more than a third of the crop — by force if necessary. More meetings were held, in which the Chodhris came brandishing *lathis*. There were clashes in late 1938 and early 1939, leading to the arrest of some Chodhri peasants, thirty-six of whom were jailed for the use of 'criminal force and trespass' and 'theft'. Narsi Aka, a Chodhri who had become a leading figure in the movement, was deported from the taluka, and other Kisan Sabha leaders were banned from entry.

The movement developed most strongly in Pardi taluka, where in 1939 many Dhodiyas who had lost land to the Baniyas began to assert what they considered their legitimate rights by harvesting produce from the land they had once owned. The Baniyas retaliated by having cases of theft taken out against them. The peasants were defended in court by sympathetic pleaders, and counter-suits were launched against certain Baniyas. The usurers quickly stepped down and withdrew their cases. There were further clashes during the grass-harvesting season of that year, when Naikda adivasis who had been employed to cut grass in previous years attacked some Baniyas after they tried to bring in labourers from outside. The Baniyas retaliated by hiring Pathan guards to protect them, as well as to rough up the peasants.

In January 1940 Thakorbhai Patel organized a series of protest marches in which adivasi men and women marched from their villages behind the red flag of the communists, singing anti-sahukar and anti-British songs. Most of the men and some of the women carried long sticks which they were encouraged to use if necessary against the Baniyas. They marched down the streets of the Baniya usurers in small towns such as Vapi, shouting anti-landlord slogans. Meetings were held at which they demanded pro-tenant and anti-usurer legislation. They also called for a ban on all export of grass from Pardi and Valsad talukas. These marches proved very popular with the peasants, and many refused to hand over the share of the crop demanded by the sahukars. The local Congressmen tried to counter the agitation by holding a series of meetings of their own. The attendance at these meetings was very poor when compared with the Kisan Sabha demonstrations, which showed that the local Congress was fast losing its influence amongst the adivasi peasants.

Similar developments were seen in many other localities of Gujarat and Maharashtra at the time. In the 1920s and early 1930s, the

Gandhian Congress had fought most strongly for the class demands of a wealthier strata of the dominant peasant communities of Gujarat and Maharashtra. Although it took up poor peasant and adivasi grievances in certain cases, these were not pursued so strongly or successfully. On the whole, Gandhian workers amongst poor and adivasi peasants tended to stress the need for moral improvement — such as renouncing meat and liquor — rather than fight actively against their oppressors. After 1935, when the franchise was extended to many poorer peasants, the Congress could no longer afford to ignore the needs of what had now become an important section of the electorate. Conflicts such as the one in southern Gujarat showed that the Congress leaders had to make a choice. Either they stuck by their earlier supporters and risked losing the mass of their following to more radical parties, such as the Kisan Sabha, or they embraced a more populist programme, and risked undermining their original support-base. Gandhi and Vallabhbhai Patel implicitly chose the latter course in 1942, when they launched the Quit India movement, advising the masses to take whatever action they felt appropriate in support of the cause.[105] In south Gujarat many of the adivasis who had been involved in the Kisan Sabha in the previous three years supported the Congress-launched struggle of 1942 by raiding the houses of Parsis and Baniyas. They smashed up and in some cases burnt the liquor shops of the former and destroyed the account books of the latter.[106] After the movement was over, the Congress managed to restore much of the authority it had lost in the late 1930s. This was also true in many other parts of Bombay Presidency.[107] The stage was set for a more concerted attack on old-style usury by the Indian National Congress once it had won independence from British rule, a process we shall examine in the next chapter.

[105] For speeches of Vallabhbhai Patel to this effect, see P.N. Chopra, *Quit India Movement: British Secret Report,* New Delhi, 1976, pp. 56 and 197–8.

[106] Hardiman, *Coming of the Devi*, p. 213.

[107] For the Satara region of Maharashtra, see Gail Omvedt, 'The Satara Prati Sarkar'; for other parts of Gujarat, see David Hardiman, 'The Quit India Movement in Gujarat', both essays in Gyanendra Pandey (ed.), *The Indian Nation in 1942,* Calcutta, 1988.

Chapter Fourteen

The Metamorphosis of Usury

In 1947, when the Indian National Congress led by Jawaharlal Nehru gained power at the all-India level, the party was committed to a policy of legal controls on exploitative forms of commerce, speculation and usury. This involved, amongst other things, the regulation of private trade, limiting the buying and selling of land for speculative purposes, preventing profiteering by merchants, and checks on usury. Alternative institutions, such as credit and marketing co-operatives, were to be developed to replace private merchants and usurers.

At an ideological level this policy was based on the belief that the unchecked operation of merchant and usurers capital hindered capital accumulation in more productive sectors and prevented the healthy growth of the economy. It was anticipated that state controls on produce markets, rationing of commodities, and strict supervision of the money-market would allow the productive sector to retain more capital, which could be invested in raising productivity.

Steps had already been initiated in this direction in western India when the Indian National Congress was in control of the Bombay government between 1937 and 1939. The Bombay Agricultural Debtor's Relief Bill was introduced in the legislative assembly in 1939 as a replacement for the Deccan Agriculturists Relief Act. It was along the same lines as the 1879 act, with certain modifications. It provided for the scaling down of debts by a Debt Adjustment Board to four-fifths of the value of a peasant's property. The debt could then be repaid in up to twenty instalments. Everyone whose debts were thus adjusted would be required to join a co-operative.[1]

[1] Draft of Bombay Agricultural Debtor's Bill, BA, R.D. 3791/33 XII; *The Servant of India*, 13 April 1939.

Even though this measure was a very mild one, there was a big outcry from sahukars throughout Bombay Presidency.[2] It had not become law when the Congress ministry resigned in September 1939, and although the British did not drop it, it was applied in the first instance in 1942 on an experimental basis in a limited number of predominantly adivasi talukas in the districts of Thane, Surat, West Khandesh and the Panchmahals.

The Congress returned to power in Bombay in 1945, and the act was extended more widely. It had little impact during the first two years of its more general operation. The Debt Adjustment Boards were manned largely by local pleaders who did not carry out the work in the spirit intended, and in 1947 these bodies were dissolved and the work entrusted to the civil courts.[3] Meanwhile, it had become clear that far more radical measures were required if peasant discontent was to be contained. This was brought home to the Congress ministry most clearly by events in northern Thane district in 1945 and 1946, when the Varli adivasis of Dahanu and Ambegaon talukas — which border on Pardi taluka — refused to cut the grass growing on land appropriated from them by usurers, who were mainly Parsis and Baniyas. Communists from outside the area provided leadership in this struggle. The Congress government was seriously alarmed by what it saw as the 'communist threat' and, declaring a state of emergency in 1946, set about crushing the movement with the use of troops. These harsh measures received a lot of adverse publicity, and the Prime Minister of Bombay, B.G. Kher, was forced to announce a policy of reconciliation, in which measures would be taken to curb both landlordism and usury throughout the province.[4]

This led to the first really radical legislation against usurers, the Bombay Moneylenders Act of 1946. Under this act, all moneylenders had to be registered and hold a license to carry on their business. A statement had to be given to the borrower whenever a loan was given, with a copy sent to a special government official within thirty days. Practices such as showing a larger sum in the account

[2] See petition and letters to the government in BA, R.D. 3791/33 XIII, XV(a), XVI.

[3] *Report on the Working of the Bombay Agricultural Debtor's Relief Act, 1947, During the Period from 1st July 1946 to 30 June 1950*, Bombay, 1952, p. 1.

[4] Indira Munshi Saldanha, 'Analysis of Class Structure and Class Relations in a Rural Unit in Maharashtra', unpublished Ph.D. thesis, University of Bombay 1983, pp. 165–6 and *passim*.

book than that actually advanced and the levying of a charge to provide a loan were declared illegal. All licensed moneylenders had to maintain a cash book and ledger. They had to issue receipts for any sums repaid, and give statements of account on a prescribed form. Interest rates were not to exceed 6 per cent, and no debt would be allowed to multiply more than double the amount advanced originally. Any infringement of the law was to be punished with a fine or imprisonment.[5]

The Agricultural Debtor's Relief Act was amended in 1947 to make it more effective. Officials were appointed to work in rural areas, holding meetings at which the nature of the legislation was explained and peasants explained as to how they could use it to scale down their debts. Peasants were also encouraged to join co-operatives, which were given much more government finance at this time, with many new ones being established. These initiatives helped to widen the impact of this legislation considerably; by mid-1950 over a million peasants had applied to the courts for adjustment of their debts.[6]

These two measures caused a lot of resentment amongst usurers throughout the province. Once licensed, their business affairs became an open book, making it difficult for them to carry out the numerous dubious adjustments which so enhanced their profits. Many saw it as a matter of honour: their integrity was being called into question by a government they had helped bring to power. The large majority of professional usurers refused to apply for licenses; only 6688 were registered during the first two years of the operation of the Moneylenders Act. The rest carried on their businesses unlicensed. Those who were licensed tried to evade the provisions of the act by keeping two sets of books — one open for official inspection which overstated the amount of money lent, the other kept secret which recorded the actual, lower, sum. Through this means the usurers could charge over the legal rate of interest while appearing to conform to it. Another trick they used was to 'rent out' bullocks and agricultural equipment to clients, rather than provide a loan for their purchase, so that no 'debt transaction' was involved.[7]

[5] *All-India Rural Credit Survey*, vol. I, *The Survey Report*, Part 2 *(Credit Agencies)*, Bombay, 1957, pp. 406–7.

[6] *Report on the Working of the Bombay Agricultural Debtor's Relief Act, 1947, During the Period from 1st July 1946 to 30 June 1950* (Bombay 1952), pp. 2–7.

[7] *All-India Rural Credit Survey*, vol. I, *The Survey Report*, Part 2 *(Credit Agencies)*, Bombay,

The majority of sahukars now operated illegally, not enjoying the support of government officials, and unable to use the civil courts to pursue bad debts or harass their clients. This provided an opportunity for peasants to free themselves from their sahukars and seek alternative forms of credit. In areas in which the moral sway of the sahukars was still strong, this happened only to a limited degree in the first few years after the passing of the legislation, but in areas in which there was a history of struggle against usurers, change could be rapid. For example, in Pardi taluka of south Gujarat — where the struggle against landlord-usurers dated back to the 1930s — a fresh movement was launched in the 1950s under socialist leadership which broke the control the Baniyas had till then held over the adivasis of the area.[8]

The anti-usurer legislation was reinforced by land reform policies which deprived usurers of the land they had snatched from the peasants during the colonial period and made it difficult for them to accumulate land on an absentee basis in future. In 1948 the Bombay government passed the Bombay Tenancy and Agricultural Lands Act, which banned the transfer of land from agriculturalists to non-agriculturalists. This check on the operation of a free market in land brought Bombay in line with what had been the practice in the Punjab since 1901. Under the legislation, tenants were given fixity of tenure and the right to purchase their land at reasonable prices, to be paid in instalments. Rents had to be paid in cash. Few tenants, however, managed to purchase their land, due to poverty as well as ignorance of the provisions of the law. The Bombay government therefore took the process a stage further with the Bombay Tenancy and Agricultural Lands Amending Act of 1955, which gave the right of ownership to all tenants cultivating land in person at that date on condition that they paid six times the annual land-tax assessment to the government. The first of April 1957 was declared 'tiller's day', being the day on which the right of ownership was deemed to have passed to the cultivator.[9]

1957, pp. 414–16 and 691.

[8] For details of this struggle, which was known as the 'Pardi Satyagraha', see Arun Nakre, *Social Psychology of Nonviolent Action: A Study of Three Satyagrahas*, Delhi, 1982. These processes were delayed in Rajasthan, where a Moneylenders Act establishing strict controls over professional usurers was passed only in 1963.

[9] G.D. Patel, *The Land Problem of Reorganized Bombay State*, Bombay, 1957, pp. 293–313.

Land reform proved in the long run fairly successful in Bombay, though disguised forms of tenancy did continue, such as labour arrangements which were in effect forms of crop-sharing. However, all these required close supervision, being best operated by wealthy landowners who lived in a village rather than by professional usurers residing in a nearby town. The ban on the transfer of land from agriculturalists to non-agriculturists meant that land deeds became a poor security for sahukars, even if they were licensed, as they no longer had a right to acquire the holdings of peasants who failed to repay their debts, turning them into their tenants.

Mercantile practice was transformed still further by the 'Green Revolution' of the 1960s. This saw the inauguration of a radically different form of agriculture based on the use of genetically engineered hybrid seeds. These seeds required a package of carefully-controlled inputs of water, fertilizers, herbicides and pesticides. The water was provided by pumps which farmers had to buy, or irrigation canals provided by the government. The other inputs were provided largely by multinational agribusinesses which operated through local processors and distributers. These distributers, who were normally town-based, were in a contractual relationship with the agribusinesses, taking goods partly on credit, and supplying farmers, again often on credit. Although many of these new distributers were from the old mercantile groups, the relationship between the merchant-supplier and farmer was a far more equal, less exploitative one than the old sahukar-peasant relationship. Credit was supplied on reasonable terms, and debts were normally repaid immediately after harvest from the proceeds of the crop, which the peasants marketed on their own terms.[10]

The new forms of agriculture required large amounts of seasonal labour, generally recruited from poorer agricultural regions, often at some distance from the area of intensive agriculture. A common procedure in recruiting this labour was for farmers, or groups of farmers organized in co-operatives, to make arrangement with a peasant in the poor region to supply a given number of labourers. This intermediary, known as a *mukadam*, was often provided with

[10] On the technology of the Green Revolution, see Michael Redclift, *Development and the Environmental Crisis*, London, 1984, pp. 107–9 and 118–21; for details about distribution and marketing, see Barbara Harriss, *Transitional Trade and Rural Development*, New Delhi, 1981.

credit, which he then advanced to poor peasants to help them carry on their own agricultural operations. The loan had to be repaid through labour-service, which they carried out after they had harvested their own crop. While the workers provided labour, the farmers, or their representatives, made regular advances of cash and food to the workers. At the end of the season, the amount advanced was set off against the pay due, and the balance, which was often fairly slight, paid to the workers. In effect, this was a new form of usury, operated by rich peasants, or by unions of cash-cropping rich and middle peasants. In the process, the sahukars who had operated in the poorer regions lost a major part of their business.[11]

The co-operatives which often performed this function were normally marketing and processing ones, rather than co-operative credit societies. Marketing and processing co-operatives enjoyed strong government support in the years after independence and by the 1960s they had become a major force in local politics. In Maharashtra, for example, a position of power in a sugar co-operative was almost a prerequisite for a political career for anyone from a sugar-growing region. In Gujarat, milk marketing co-operatives, notably the Amul dairy of Kheda district, have occupied a similar position. These co-operatives have greatly undermined private trade and processing in their particular spheres of operation. Despite this, they have created many job openings for members of the old mercantile classes, who are valued for their skills as accountants and organizers. In these roles they are now salaried employees, and are no longer masters of the peasants.

Alongside this there was a large growth in co-operative credit, with the government providing strong encouragement and funds for the expansion of this sector from the early 1950s onwards. Maharashtra took the lead, having the largest amount of credit advanced through co-operative societies for the whole of India in 1961 as well as in 1971. Gujarat came second in India in both these years. Rajasthan lagged behind, coming fourteenth in 1961 and sixteenth in 1971. The percentage of cultivators' debts owing to co-operatives was as follows for these three states:

[11] For a study of this process, see John Breman, *Of Peasants, Migrants and Paupers: Rural Labour Circulation and Capitalist Production in West India*, New Delhi, 1985, pp. 225–43.

Table 1

	1961	1971
Maharashtra	34.0	57.3
Gujarat	29.6	42.5
Rajasthan	2.8	5.3
All India	11.4	22.0

Source: S.R. Mehrotra, 'Institutional Agricultural Credit with Special Reference to the Needs of Small Farmers in Rajasthan', unpublished Ph.D. thesis, University of Rajasthan, Jaipur, 1978, p.33.

By 1971 co-operatives provided the bulk of agricultural credit in Maharashtra, and were the single largest source of credit in Gujarat.

The expansion of co-operative credit did not necessarily lead to a corresponding collapse in usury by professional sahukars. Many usurers managed to have themselves recognized as co-operative organizers, so that they could use the funds available to expand their own operations. A survey of Ahmedabad district in 1958–1959 found that in half of all the societies examined the chairman was either a trader or a moneylender. In several societies, secretaries and members of the managing committees were also from this class. Some of them were found to be using co-operative funds to carry on their private businesses.[12] A similar survey of Bharuch district found that in four of the eleven societies examined, moneylenders and traders were either society secretaries or members of the managing committee. They often acted deliberately so as to prevent the society from working in the interests of the peasants.[13] The situation was even worse in Saurashtra, where co-operatives were started on a wide scale only in the 1950s. A survey of Junagadh district in 1957–1958 found that sahukars controlled eleven of the sixteen societies examined. Again, they tended to use their position to undermine the co-operatives. A case was cited of a society started in 1955 in which the chairman was a sahukar and the secretary his clerk, the funds of which were used for the sahukar's own business.[14]

[12] 'Rural Credit Follow-up Survey 1958–1959: District Report Ahmedabad', Bombay, 1962, cyclostyled report in Gokhale Institute Library, Pune, pp. 52–3.

[13] 'Rural Credit Follow-up Survey 1956–1957: District Report Broach', Bombay, 1960, cyclostyled report in Gokhale Institute Library, Pune, pp. 128–36.

[14] 'Rural Credit Follow-up Survey 1957–1958: District Report Sorath', Bombay, 1961,

The situation was particularly bad in adivasi areas, where in many cases the entire co-operative sector came to be dominated by sahukars. In the Bhil and Bhilala areas of Dhar district of Madhya Pradesh, for example, a survey in the early 1960s found that many co-operative credit society presidents were Baniya usurers, who persuaded their clients to take loans from the co-operative and then use the money to repay the debts they owed them. Later, when the time came for the debt to the co-operative to be repaid, the Baniyas would have notices sent out in the name of the co-operative threatening punitive action backed by the state if the money was not immediately forthcoming, and then, in their capacity as private sahukars, would offer a loan at exceptionally high interest rates to repay the debt.[15]

While the influential men who operated the co-operatives embezzled funds with impunity, the poorer peasants who made up the bulk of the borrowers were subject to harsh and inflexible punitive action if they failed to repay loans on time. To obtain a loan, they had to deposit land deeds as a security, and their land was thus liable to be seized and sold. Bank officials might also come and attach household goods, just as the court bailiffs had in the past. In Panoli village of Ahmadnagar district I was told by Vinayak Vare, a Maratha peasant, that:

> The co-operative banks are the new sahukars. The older sahukars were in fact better, for the banks only give us a loan for a year. After a year, the bank officials come in jeeps and speak rudely to us. They refuse even to take tea, going straight into people's houses and confiscating things. The sahukars used to take notice of events in people's lives; they were more flexible than the bank officials and would wait for months before repayment.
>
> Bank officials take pots and pans, rings from our fingers — one man even had the *bidi* he was smoking snatched from his mouth. They auction the pots and pans before there is an opportunity to recover them.[16]

Under the new order, the old paternalistic tie between the peasant and sahukar was thus replaced by a harsh and impersonal system

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cyclostyled report in Gokhale Institute Library, Pune, pp. 57–69. Sorath later became known as Junagadh district.

15 T.B. Naik and K.M. Bhouraskar, 'Tribal Economic Organization and Market', *Bulletin of the Tribal Research and Training Institute, Chhindwara*, 4:2, 1964, p. 31.

16 Interview with Vinayak Mahadev Vare, Panoli, Parner taluka, Ahmadnagar district, December 1988.

of contract, with credit organizations operated by brusque and arrogant officials. In retrospect, the sahukars — once so disliked — seemed by comparison sympathetic, approachable, almost benevolent.

During the early years after independence, the modern-sector commercial banks were hardly involved at all in providing credit to peasants. This changed in 1969 when Indira Gandhi nationalized the banks and ordered that they become major providers of credit to the poor. The intention was to override the co-operative institutions, which were seen to work primarily in the interests of the local elite. Branches were established in rural areas and provided with ample resources to give credit on a large scale.[17] As a result of this initiative, officially-sponsored credit expanded in a massive way throughout India in the following decade. According to a Reserve Bank of India survey the so-called 'organized credit sector' — that is, banks, co-operatives, etc. — accounted in 1951 for 7.2 per cent of all agricultural credit in India; in 1961 the figure was 14.8 per cent; in 1971, 29.2 per cent, and in 1981, 61.2 per cent. Between 1971 and 1981 the formal sector thus became — going by these figures — the chief source of rural credit in India, largely as a result of the nationalization of banks and the accompanying policies.[18]

The impact has been felt in even the poorest and more peripheral regions. For example, in Dahod taluka, an area in which most of the peasants are poor Bhils, figures show that the amount of credit taken from professional usurers declined from 63.8 per cent in 1970 to 30.6 per cent in 1980. In 1970, only 5.3 per cent of credit came from fellow peasants, in 1980 21.5 per cent. There are no figures for credit from the government and co-operatives for 1970, but in 1980 32.2 per cent of credit was recorded from these two sources.[19]

These figures conceal, however, much disguised usury, for despite all the populist rhetoric, the nationalized banks failed, like the co-operatives, to provide credit in an equitable manner. Bank officials preferred to give loans to commercial farmers, traders, manufacturers

[17] Jogishwar Singh, *Banks, Gods and Government*, p. 169.

[18] Reserve Bank of India survey, quoted in Kaushik Basu et al, 'Markets, Middlemen and Mahajans: Some Lessons from Nawadih', *Economic and Political Weekly*, 28: 8–9, February 1993, p. 327.

[19] *Integrated Tribal Development Project Report, 1980–1985: Dahod*, Dahod, 1980, pp. 64–6.

and other businessmen who were considered to have good security and would be able to repay loans in cash. Such people were in many cases usurers also, and they used the bank loans in part to carry on this business. In this way loans at low rates of interest were recycled into high-interest loans to the more subsistence-oriented peasants, as well as agricultural labourers. The culture of bank management found it difficult to adapt itself to the finance requirements of petty peasant production, in which farming was geared towards family subsistence and social expenditure rather than cash returns. Poor and middle peasants had great difficulty in obtaining loans, often having to bribe bank officials, pay application fees and make numerous trips to the bank before a loan was sanctioned. Despite the nominally low rates of interest on bank loans, in practice poorer peasants found it cheaper to borrow from sahukars and rich peasants.[20]

The banks, like the co-operatives, were granted sweeping powers to recover debts, which included attachment of moveable property and the forced sale of houses and land. Arrears were treated officially as if they were arrears of land tax. This frightened poor borrowers, who could not afford to bribe officials to delay such processes. Wealthy borrowers, by contrast, used their money and contacts to stall recovery procedures. Often, they were able to default on their repayments with impunity because of their political influence. Zealous bank officials who tried to take action against defaulting rich farmers or big traders might find themselves being disciplined or transferred to a distant place through the influence of a member of the state government whose power depended on providing favours for members of these groups. These sentiments were expressed to me in a very graphic manner by a bank manager in Saurashtra. He provided an anecdote: once when he was in charge of a nationalized bank in Amreli he had pressed a rich peasant to repay his outstanding loans. The man responded by threatening him with a knife. Because this rich peasant was close to some local politicians and helped them at election time, no action could be taken against him.[21]

As a part and parcel of all this, a culture emerged amongst

[20] Jogishwar Singh, *Banks, Gods and Government*, pp. 204–10; Hans-Dieter Roth, *Indian Moneylenders at Work*, New Delhi, 1983.

[21] Interview with Arvindbhai Rawal, manager of the Central Bank, Bhavnagar, December 1988.

politicians of granting cheap credit by nationalized banks, as well as moratoriums on bank debts, in an attempt to win the 'farmer's vote'. The Minister of State for Finance in the Rajiv Gandhi government (1986–1989), Janardhan Poojary, thus started a farmer's loan scheme in which loans ranging from one to five thousand rupees were given out at populist 'loan *melas*' (fairs) at a heavily subsidized interest rate of 4 per cent a year, to be repaid between three and five years.[22] In Gujarat in 1990, two months before polling in the state elections, the chief minister announced a writing-off of farmers' debts to the extent of ninety crores of rupees, with a promise to waive much more should he be re-elected.[23] In the same year the Prime Minister of India, V.P. Singh, under pressure from his deputy, the spokesman of the rich peasantry, Devi Lal, announced the Agricultural Debt Relief Scheme which waived loans of up to ten thousand rupees for all farmers irrespective of whether the farmer was rich or poor. The measure had by 1995 cost the government seven thousand crores of rupees, and it was said to have damaged the entire system of rural credit.[24] In practice, it has been the more influential farmers whose debts have thus been wiped from the books, while poorer borrowers have tended to find their debts still standing.

Michael Lipton has argued that despite many drawbacks, the nationalised banks did at least inject a large amount of fresh capital into rural areas. Even if wealthy farmer-usurers and moneylenders still controlled rural finance, the additional capital available meant that they had to compete more for business, and this had the positive effect of lowering interest rates.[25] In fact, what appears to have happened is that cheap credit has become available to what we may categorize as the new rural middle class, that is farmers who are involved in the production of cash crops using modern inputs and who as a class have considerable political clout. This class is certainly a much wider one than that of the 'big men' of the village who were the only peasants with access to cheap credit in the past. However, the majority of peasants still have to pay very high rates of interest on their loans. The new rural middle class has become a major provider of credit, advanced normally at high rates of interest.

[22] *India Today*, 15 February 1995.

[23] *India Today*, 31 January 1990.

[24] *India Today*, 15 February 1995.

[25] Michael Lipton, *World Development*, 4:7, 1974.

Because members of this class are not licensed as moneylenders, their activities — and their rates of interest — go largely unrecorded in the statistics. Loans provided by them at high rates of interest allow the poorer peasantry to eke out a living from their inadequate plots while at the same time being forced to supplement their pitiful returns from agriculture by carrying out wage-labour for the richer peasants. Usury is thus an essential element in present-day commercial farming in India, supporting a vast reserve army of labour which can be hired cheaply in season and then maintained on a minimal outlay for the rest of the year.

Rural usury is today thus carried on predominantly by the quasi-government institutions — the co-operatives and banks — and the new rural middle class. These are the agencies and groups which now enjoy political support, official in the case of the former, unofficial in the case of the latter. By contrast, the Baniyas and related mercantile communities no longer enjoy any such political support for their usury operations in the villages. Without such support the business is too risky and the profits too low to make it worthwhile.

When I travelled in western India in the late 1980s collecting material for this book, I found that old-style Baniya usury was almost everywhere in a state of profound decay. In Ahmadnagar district, once so firmly under the sway of the Marwaris, I was told that only a very few members of this community still lent money to peasants. The majority had left the rural areas and had gone to live in the towns after the Congress brought in legislation to check usury and landlordism after independence. Most of the credit advanced by private moneylenders now comes from Kunbis or Marathas. Before the 1950s they lacked the capital to carry on such a business, but in recent years they have earned money from working in Bombay and Pune, and they return to their villages and lend it. In one taluka headquarters town — Parner — I was told that only two or three professional sahukars continue in business, and they do not do well in their profession. The civil court no longer works in their interests; in fact, I was informed by a local pleader that in the past ten years there has not been a single debt-case in the court at Parner.[26]

[26] Interviews in December 1988 with N.D. Powar in Ahmadnagar city; Vinayakrao Auti, Vidyadev Auti and Manekrao Auti (a pleader) in Parner town; Baba Pandurkar in Pimpalgaon Pisa of Shrigonda taluka.

The same was the case in Saurashtra, where Baniya and Luhana usurers once held sway. At Varavala village in Okhamandal taluka of Jamnagar district I saw a number of derelict houses — some in a state of complete collapse — which I was told had once belonged to the Luhana sahukars of the place. There used to be twenty-five families of Luhanas there. They were very exploitative, and took land and people's houses in repayment for debts. Now, only two families are left. At Modhvada village in Porbandar taluka of Junagadh district I was told that there used to be about sixty families of Luhanas living in a street known as Sheth Faliya. They lent money in Modhvada and in several surrounding villages. Now there is not a single shop in the village: the people have to go elsewhere to buy even the most basic items. At Chandravada in Kalyanpur taluka of Jamnagar district I was told that the two families of Luhanas who used to lend in the village stopped doing so after independence. One family still runs a shop, but gives no credit. The present shop-owner has four brothers who have set up their own shops elsewhere: three in other towns of Saurashtra and one in Bombay. Now the peasants have to go to a bank in Jamnagar or Porbandar cities if they need to borrow money.[27]

The story was much the same in the heartland of the Baniya usurer — the Marwar region of Rajasthan. In Agolai in Shergadh tehsil of Jodhpur district, for example, there were a hundred years ago about two hundred and fifty families of Jain Baniyas who ran at least two hundred shops. This, I was told, changed after independence, when the new government passed harsh laws against usury and started providing its own credit through banks and co-operatives. The business of the mahajans died and most migrated from Agolai. Today only about fifteen families remain, lending very petty sums of money. In Borunda village of Bilada tehsil I was told that there were about forty families of mahajans before independence. In the 1970s there were still about fifteen, but by 1987 there were only eight left. Many had migrated to Madras for business. The peasants obtain most of their credit from banks.[28]

[27] Interviews in January and February 1988 with Sonba Maharaj in Varavala; Sanabhai Virambhai in Modhvada; Menand Desur Odedra and Malade M. Odedra in Chandravada.

[28] Interviews in March 1987 with Tejmahal Sevak and Kanvarlalji Opla in Agolai, and Dipchand Kothari and Mahavirchand Kothari in Borunda. Marwari Baniyas who have migrated to Tamil Nadu have become a major economic force in this state today. Starting as petty shopkeepers and pawn-brokers, they have moved into industry, real estate, construction and

In Bir village of Ajmer district I found that many of the large houses that belonged to Baniyas are now uninhabited. Formerly grand, they now have a neglected and shabby appearance. I was told that in the 1890s, at the time of the revolt against the usurers of the Ajmer region, there were about eighty families of Baniyas in the village. Now hardly fifteen remain. They do a little moneylending, but their main business is in groceries. The peasants now obtain most of their credit from banks and co-operatives. In Gola village of the same district I was told that there were forty families of Baniya sahukars who had dealings with the peasants of this and several nearby villages. In the 1920s they started to migrate to Madras. Now only four Baniya families remain, and they are poor and live by cultivating land with their own hands. They do not lend money at all. Most of the old Baniya houses have been demolished.[29]

Despite the decline in their usury, Baniyas continue to earn a good livelihood as retailers and wholesalers. As an increasing number of transactions come to be carried out through the market such lines of business continue to expand in a profitable manner. Commercial farming depends on more and more expensive inputs, on machinery, pumping equipment, tools, new seed varieties, fertilizers, pesticides and herbicides, all of which have to be acquired and sold to the farmers by sales representatives of national and multinational firms, a role which Baniyas have been quick to assume. Large profits can also be made through hoarding, the creation of artificial scarcities and black marketeering, operations in which Baniyas are particularly adept. They are also active as financial agents, brokers, local processors and millers, transporters, and as building and public works contractors. They have become entrenched in the local bureaucracy and professions. As a class, the Baniyas and related mercantile groups have not suffered any decline. They have, rather, adapted with great facility to the new order.

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transport, causing considerable unease amongst many Tamils and even protest dharnas in front of Marwari shops in Madras. See 'A Chauvinistic Tirade: Tamil Nadu Politician Launches an anti-Marwari Drive', *India Today*, 15 June 1994.

[29] Interviews in January 1989 with Kumarsingh Rawat in Bir, and Hajarilal Sen in Gola.

Chapter Fifteen

Conclusion

In his writings, Gramsci made an important distinction between *dominio*, or the domination of the subaltern classes through the coercive apparatus of the state, and *egemonia*, or the hegemony exerted through intellectual and moral leadership (*direzione intellettuale e moral)*, which leads the subaltern classes to give their overall consent to the rule of the dominant class.[1] Following Gramsci, we might characterize many of the elements of Baniya domination which have been described in this book as a hegemonic apparatus which facilitated the control of a dominant class over subaltern classes without the need for direct coercion. By emphasizing the naturalness of their superiority, their moral virtuosity, by demanding loyalty from individual subordinates, and by acting occasionally with generosity, members of this class maintained the legitimacy of their domination.

In attempting to apply such a concept to Baniya usury, certain points need to be discussed and clarified. First, what exactly do we mean, and what do we *not* mean, by 'hegemony' in such a context? Second, is it valid to consider a class such as the Baniya usurers 'hegemonic'? And third, how did the nature of this hegemony change during the transition to capitalism?

Hegemony has been taken by some to mean a consensus which operates so as to prevent social dissent. In the Indian context, the Brahmanic values of purity and pollution, transmigration of souls, and the naturalness of hierarchy are often held to have exerted such a hold over the minds of subordinate groups. As a result, they rarely rebelled against their superiors.[2] In this vein, Paul Greenough

[1] A. Gramsci, *Selections from the Prison Notebooks,* London, 1971, p. 12. For the original Italian, see Joseph Femia, *Gramsci's Political Thought,* Oxford, 1981, p. 24.

[2] The classice study of this system of belief is by Louis Dumont, *Homo Hierarchicus,*

has sought to show how a belief in the indulgence of superiors has informed the consciousness and actions of Bengal peasants:

> To show indulgence is widely believed in Bengal as a sign of favour and affection. Those who seek indulgence from powerful and resourceful superiors are the needy inferiors in a hierarchy. The principle expectations of the latter are that their appeals for help will always be acceded to and that there will always be a spontaneous giving or sharing of food. Indulgence is most apparent within the family, but it is also present as an important strand in the ties binding clients to patrons, subjects to kings, tenants to landlords, and devotees to deities. There is thus a common idiom of indulgence running through hierarchical relationships in Bengal, softening the rigours of authority and rank.[3]

Greenhough goes on to argue that the Bengali peasants' belief in Lakshmi, and the idea of prosperity and well being which goes with it, has united them mentally with landlords, moneylenders and other dominant groups. Good harvests and prosperity are believed to be a result of the blessing of this goddess. In crises, Bengali peasants speak of the need for boons from above, whether from the goddess or earthly rulers, and do not struggle assertively to demand any right to subsistence:

> In quotidian Bengal — in the world of domestic preoccupations and ordinary routines — the tenets of prosperity inform consciousness and guide action almost without remark; any other reading would imply a radical split between what Bengalis profess and what they do, a split that is acceptable in isolated instances but that can hardly be admitted as a permanent feature of social existence.[4]

One problem with such an argument is that it fails to show how the same cultural construct can be used in radically different ways by different classes, in the process robbing it of much of its consensual function. Let us take the supposed 'shared belief' in Lakshmi. It is for a start doubtful whether peasants really had such faith in this particular goddess — a deity pre-eminently of the mercantile classes. But even if they did have such faith, it could quite theoretically act in a way which countered rather than reinforced the domination of usurers. To take an example from popular modern Indian culture,

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London, 1972.

[3] Paul R. Greenough, 'Indulgence and Abundance as Asian Peasant Values: A Bengali Case in Point', *Journal of Asian Studies,* 42:4, August 1983, p. 837.

[4] Ibid., p. 843.

in the film *Mother India* we see this belief being used to very different effect by the Baniya usurer, Suhkilal, and by the peasant mother, Radha (played memorably by Nargis), who is in his grasp. The usurer offers to provide food for her starving children, one of whom has died, if she submits to him sexually. She swallows her pride and agrees. In the Baniya's house, waiting for him to come to her, she stands before the murti of the goddess Lakshmi, distraught that her honour is about to be lost. Bitterly, she remarks that the feet of a goddess do not falter as she does not have the responsibilities of motherhood. But gazing at the murti, her sense of honour is fired and she suddenly decides that she will not allow her name to be ruined. When the Baniya comes she beats him and flees. A song follows:

A woman must defend her honour.
That is her greatest treasure.

Ironically Lakshmi, the goddess of wealth, and thus the Baniya's divinity *par excellence*, rekindles in Radha her sense of female honour, which is in this case in direct conflict with the desires of the usurer. Strengthened, she resists his advances. Although it may be argued that this *filmi* heroine is more petty bourgeois than peasant in her mental make-up, the anecdote illustrates most graphically a very important truth, namely, that any belief can be made to suit a widely divergent class as well as gendered interests. It is such divides in consciousness that represent a far more convincing 'permanent feature of social existence'.

The personalization of the usurer into a familiar, avuncular figure might likewise be seen as a form of hegemony, furthering the control of the dominant class. At the same time, however, it provided a personalization of an otherwise abstract category — that of merchant and usurer capital. It allowed for the identification of the exploiter and the exploitation, and thus was in practice a necessary base for any practical and effective resistance to usury. Hegemony did not therefore entail a lack of resistance. The very notions which at one moment might be seen to further the control of the elite might at the next become a basis for resistance.

James Scott has made this point with great force in his book *Domination and the Arts of Resistance*. He takes the argument further, holding that much of what passes for 'hegemony' is merely a statement of what the ruling classes would like to believe the subaltern classes

think. In turn, because the latter know that they are expected to behave in a particular way, they tailor their actions and words to conform to elite expectations while in fact holding very different views, which they discuss amongst themselves only when out of hearing. This 'hidden transcript' is rarely recorded, and it is largely absent from the records kept in the archives of the ruling classes. Traces of such beliefs can be found in the realm of proverbs, popular stories, tracts and songs, and also in records relating to outright revolts, when the poor obtain — briefly — a voice in the archives.[5]

Scott argues that the chief importance of hegemonic beliefs is not that they in any important way control the minds of the subaltern classes, but that they provide a terrain for conflict and struggle. 'A dominant ideology of paternalistic lords and faithful retainers does not prevent social conflict but is simply an invitation to a structured argument.'[6] The language of popular protest is thus moralistic, claiming that the rulers are deviating from legitimate norms. Resistance is clothed in a ritual of subordination that serves to disguise its radicalism and also provide an escape route in case of failure.[7]

This can be born out in the case of the Baniya–peasant relationship by various examples from western India cited in this book. While peasants might call their sahukar 'uncle', or compare him to a father or mother to his face, behind his back they could be very critical of his doings — as seen in many proverbs, as well as statements made in times of revolt.[8]

There is, however, more to hegemony than this. In Gramscian terms, hegemony also involves an unstated 'common sensed' understanding of the world which is grasped intuitively rather than through logical thought.[9] This understanding represents the sedimentations of many values — elite and popular — often stretching back deep in history, and it 'cannot be reduced to unity and coherence even within an individual consciousness, let alone collective

[5] James C. Scott, *Domination and the Arts of Resistance: Hidden Transcripts*, New Haven, 1990.

[6] Ibid., p. 102.

[7] Ibid., pp. 94–6.

[8] To take one observation about Baniyas from Marwar: 'His friendship, his mind, his dealings, his bonds, his principles are all actuated by sinister motives. Ostensibly he shows a merciful nature, but in reality he is steeped in the art of cheating.' See Pandit Sukhdeo Prasad, *The Final Report of the Famine Operations in Marwar during 1899 and 1900*, Jodhpur, 1900, p. 185; Archibald Adams, *The Western Rajputana States*, London, 1899, p. 97.

[9] *Prison Notebooks*, p. 327.

consciousness'.[10] Common sense of this sort is situated within a power relationship which, ultimately, furthers the domination of subaltern classes by the elite. E.P. Thompson has described this as a 'dominant discourse':

> ...in most societies we can observe an intellectual as well as institutional hegemony, or dominant discourse, which imposes a structure of ideas and beliefs — deep assumptions as to social proprieties and economic process and as to the legitimacy of relations of property and power, a general 'common sense' as to what is possible and what is not, a limited horizon of moral norms and practical probabilities beyond which all must be blasphemous, seditious, insane or apocalyptic fantasy — a structure which serves to consolidate the existent social order, enforce its priorities, and which is itself enforced by rewards and penalties, by notions of 'respectability'...[11]

Hegemony of this sort did not reside in any systematized ruling-class ideology as such, for such ideologies were in most cases so clearly in the interest of a particular class that they were relatively easily questioned and challenged by subaltern groups. The deep, unstated shared beliefs which made up a hegemonic 'common sense' were harder to pinpoint and thus resist.

In examining the hegemonic hold of the Baniyas over their peasant clients, what I have therefore looked for have been deeply-held ways of thought which were revealed in 'common sense' statements and observations about the relationship. These involved statements about the inevitability or 'naturalness' of debt as a part of the human condition, or the obligation for a son to repay the debts of a father. The verses of medieval bhakti sants have provided a rich source of material in this respect. From this, we may argue that many peasants have internalized certain mercantile values in important respects. It has been this, above all, which has allowed many peasants to make a transition in recent times to a more capitalistic agriculture without suffering any very profound cultural traumas.

A second main question we have to address is the extent to which a group such as Baniya usurers can be said to have been a hegemonic class. The problem here is that Gramsci saw hegemony as being exerted by a ruling class over subaltern classes. The Baniyas were never in this sense a 'ruling class' for they were always subordinate

[10] Ibid., p. 326.

[11] E.P. Thompson, *Witness to the Beast: William Blake and the Moral Law*, Cambridge, 1993, pp. 108–9.

to feudal and later colonial rulers. In particular, Gramsci only applied the concept in his writings to the ruling capitalist class — the bourgeoisie. It is debatable whether the concept could be used in a pre-capitalist context.

For example, in *Il Risorgimento*, Gramsci argued that in a fully capitalistic society, the coercive power of the state could be used sparingly because there was general popular consent to the rule of the bourgeoisie. The power of the bourgeoisie is in other words based primarily on hegemonic controls. In pre-capitalist societies, by contrast, the subaltern classes formed an assemblage of detached blocs, characterized by an absence of interdependence in economic activities. Over this ruled a class with military-political power of a chiefly coercive nature. Gramsci denied that pre-capitalist societies had great organic unity, so that the over-arching ruling classes were unable to exert any very significant hegemony.[12]

In dealing with the operation of hegemony in post-Risorgimento Italy, Gramsci had to modify his theory to fit a predominantly peasant society. He saw post-Risorgimento Italy as essentially a pre-capitalist peasant society ruled by an elite which was trying to transform it in a capitalist direction. He argued that civil order was maintained in Italy in part through direct coercion, but far more commonly through hegemonic control. In the latter case the subaltern classes were persuaded to accept the general legitimacy of the ruling classes by local 'intellectuals', by which he meant groups such as petty bureaucrats, teachers, lawyers, doctors and priests. The peasants looked up to them as superiors to be respected and imitated, though there was an element of distrust, at times contempt, for them. 'One can understand nothing of the collective life of the peasantry and of the germs and ferments of development which exist within it, if one does not take into consideration and examine concretely and in depth this effective subordination to the intellectuals.'[13] The power of the central state depended, therefore, on fostering the power of its critical allies and publicists, the local intelligentsia, who operated their own forms of sub-hegemonies tailored to particular regional conditions and needs.[14]

12 This is set out in *Il Risorgimento*. See Femia, *Gramsci's Political Thought*, p. 49.

13 Antonio Gramsci, *Selections from the Prison Notebooks*, London, 1976, pp. 14–15.

14 The manner in which the fascist state forged such links with a remote sourthern Italian village is shown very graphically by Carlo Levi in *Christ Stopped at Eboli*, Harmondsworth, 1982.

In this study, Gramsci tried to show how the world view of a ruling capitalist class had gradually come to be accepted in post-Risorgimento Italy by the subaltern classes. His 'intellectuals' were propagators of essentially capitalist values. Pre-Risorgimento Italy did not, in his view, have any such ideological unity.

Gramsci's argument that an atomized economy led to atomized beliefs is somewhat deterministic, for there were in fact important ideological unities in most pre-capitalist societies. We may take, for example, the popular belief in the 'legitimate king' whose rule was blessed by God. This belief did not prevent popular revolt, but it helped to circumscribe it within particular boundaries. In this respect, it had a hegemonic effect. In this and other ways feudal polities exerted control through 'intellectual and moral leadership' as well as coercion.

Although such pre-capitalist polities lacked the many centralizing mechanisms of capitalist society, they also depended on local agents who operated their own forms of domination to legitimize the system as a whole. These could be subordinate members of the ruling class, for instance, members of a feudal aristocracy running a local estate largely free of outside interference, but they could equally be from classes which did not enjoy anything more than very localized political power, such as urban merchants or clan chiefs. Such groups had their own corporate organizations, such as merchant guilds or clan councils, which operated relatively independently within the feudal polity.[15]

In this context, we may refer to Perry Anderson's distinction between 'hegemonic' and 'corporate' classes. He defined a 'hegemonic class' as one which seeks to impose its own ends and vision on society as a whole. The European bourgeoisie have since the time of the Enlightenment been the foremost hegemonic class in this respect. A 'corporate class' is one which pursues its own ends within a social totality whose global determination lies outside itself. The 'corporate class' seeks to defend and improve its position within a social order accepted as given.[16] We may take this further to argue

[15] For examples from India, see the study of merchant organization in Gujarat by K.L. Gillion, *Ahmedabad, a Study in Indian Urban History*, California, 1962, and the study of clan organization in the Punjab by M.C. Pradhan, *The Political System of the Jats of Northern India*, Bombay, 1966.

[16] Perry Anderson, 'Origins of the Present Crisis', *New Left Review*, 23, January–February 1964, p. 34. The 'corporate class' which Anderson analyses is that of the nineteenth century

that although these 'corporate classes' share the 'lived system of meanings and values' of the society as a whole, and to this extent are hegemonized classes, they always create a space for certain values of their own which they hold onto and defend most tenaciously. These may in turn influence the minds of those who are subordinate to them in often very important ways. In this respect, they too are hegemonizing classes.

Certain intermediate corporate classes could thus operate their own systems of power, which may be called their 'domains of power'. Each domain of this sort occupied a particular niche in the system, being allowed to function with considerable independence in that sphere on payment of a tribute or taxes. These domains not only coexisted under the state, but were interlinked with each other in sometimes complex ways. They were, however, sufficiently discrete in themselves so as to make it worthwhile to distinguish them for analytical purposes. At one level, a domain of power required what James Scott has described as a 'public transcript' with its threefold dimension of material appropriation, a theatre of domination with its own rules and rites of mastery and subordination, and a system of ideological justification for the subordination imposed.[17] At another deeper level it operated to inculcate hegemonic values which were internalized largely as a form of 'common sense'. These domains were by no means static, being characterized by an ongoing struggle between the dominant and the subordinate which produced continual modifications in the system.

Baniya usury represented one such domain of power. The sahukar was projected as a respectable gentleman, worthy of respect from the peasants on account of his superior social position in the caste hierarchy. Peasants were expected to relate to him as a patriarchal patron-figure; in return for their loyalty he provided for their needs. His wealth was depicted not as the fruits of ruthless extraction of surplus value from his clients, but the as the blessing of the goddess Lakshmi. The practice of usury was justified in the scriptures. Even the Baniya's account books, in which the fate of the peasants was

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English working class, one very conscious of its separate identity and moral values, but which did claim to speak for society as a whole. The concept may, however, be applied with values to intermediary classes, such as merchants.

17 *Domination and the Arts of Resistance*, p. 111.

sealed in writing, were the subject of an annual ceremony which conferred on them divine goodwill.

This system of indirect subordination, so important in pre-colonial India, continued to be very important under colonial rule. It is often argued that this type of phenomenon represented a survival of older structures of hegemony within a colonial capitalist framework. British rule, it is held, relied on the collaboration of the indigenous elite, who operated their own systems of control, with their own systems of values. In this respect, the Indian peasantry were exploited — it is said — in a 'semi-feudal' rather than 'capitalist' manner. This was, however, a temporary phase, as the dispersed systems of local power gradually gave way to a more centralized and unified form of hegemony operated by the bourgeoisie. This sort of argument — which is endorsed by Gramsci's writings — has been questioned by Michel Foucault, who has maintained that although structures of power were transformed radically during the period of the ascendency of the bourgeoisie, power continued to be operated in capitalist society through a range of relatively independent hegemonic structures and institutions. However much these structures and institutions have been globalized in form over the course of the past two centuries, in terms of actual power each one continues to operate within a relatively independent locus in each separate capitalist formation.[18]

Significant change, in other words, has not entailed any move towards a more uniform and seamless hegemony, but rather in the metamorphoses that the discrete structures of hegemonic power have each undergone — unevenly and often unpredictably — during the transition to capitalism. In the case of usury in western India, this involved a process in which Baniya usury and the culture which went with it was first strengthened by the legal apparatus and coercive support of colonial rule against the power of the feudal classes — most notably those with Kshatriya proclivities, such as the Rajputs and Kolis. Certain peasants at the same time embraced more firmly the range of mercantile values associated with the Baniyas, to the extent that by the start of the twentieth century they had begun to mount a challenge to Baniya usury itself. In time, usury was

[18] Colin Gordon, 'Governmental Rationality: An Introduction', in Graham Burchell, Colin Gordon and Peter Miller (eds), *The Foucault Effect: Studies in Governmentality*, Hemel Hempstead, 1991, pp. 25–6.

wrenched from the monopolizing tendencies of Baniya control, becoming a sphere of power operated in a less corporate way by all those who now commanded merchant and usurer capital. Baniya culture was not, however, abandoned, for this process involved as a counterpoint a widespread 'Baniyaization' of society in western India. In this way, the domain of Baniya-style hegemony was not only taken over, but hybridized, transformed and extended into whole new areas of life.

II

Usury has thus helped to lubricate the transition to capitalism in India. This provides a sharp contrast to the experience of the transition in Europe. In Europe, labour was controlled in the pre-capitalist period through feudal domination, which was both hegemonic and coercive. Usurers were considered marginal to the process of domination. During the period of transition to capitalism, the emerging capitalist class sought to establish its power by attacking the controls which the feudal classes exerted over the bodies and minds of the mass of the people. They propagated above all the doctrine of free labour, which was the right of each and every member of society to sell his or her labour freely on the market. Despite its many qualifications in practice, this doctrine won mass support and played a key role in helping the European bourgeoisie to establish and maintain its ideological hegemony, a hegemony that has continued to this day.

In India, on the contrary, usury backed by the coercive force of the feudal lord provided during the medieval period the single most important means for the expropriation of the surplus labour of the peasantry — as well as artisan classes. In most cases this operated by requiring that produce be handed over in repayment of the debt, but in certain areas usury led to debt bondage, in which the debtor repaid the debt through labour service. This could stretch over generations, with the descendants of a debtor continuing to be bound to labour for the descendants of the creditor. Even when labour service was not the major element in debt-fulfilment, the usurer frequently demanded that members of the debtor family perform various 'small' forms of labour, such as fetching fuel, chopping wood or performing housework. It was accepted that the usurer

had a right to make such demands. During the colonial period, the peasants continued to be exploited through usury, supported now by a combination of colonial law and/or feudal might, with the balance between the two forms of coercion differing according to the area. Even British businessmen involved in commercial agriculture — the so-called 'planters' of indigo in Bengal and Bihar — operated by keeping the petty peasants who actually grew the indigo deep in their debt.[19]

It was not surprising, therefore, that when capitalist forms of industrial production were developed in India from the mid-nineteenth century onwards, usury played a key role in the recruiting of labour for the new factories. It operated through the system of advances through intermediaries or jobbers — known as mukadams in western India and sardars in eastern India — who recruited labour from amongst the peasants of their home regions and then controlled these workers in the cities by keeping them in their debt. The workers had to accept the work provided for them by their mukadam or sardar, who was the one who dealt directly with the factory managers, and they were required to hand over a proportion of their wages to service their debt. They were not therefore 'free' to sell their labour to any capitalist and there was no notion of any 'wage contract', as in Europe. The worker was, rather, the client of a particular mukadam or sardar, while in these big cities the factory manager was a distant, almost god-like figure.[20]

As the new form of production has spread throughout India during the twentieth century, Baniya-style practices and mentalities have become more important in many smaller industrial ventures. Two studies of the working class of the small town of Valsad in south Gujarat, carried out in the 1970s, found that the relationship between factory owner and employee was one of patronage and dependence. Labour was recruited through mukadams, and the latter provided for the needs of the workers rather than trades unions. None of the workers interviewed were in fact members of any trade union. To secure their jobs, workers treated the owners of the small

[19] B.B. Chaudhury, 'Agrarian Relations in Bengal (1859–1885)', in N.K. Sinha (ed.), *The History of Bengal (1757–1905)*, Calcutta, 1967, pp. 257–62.

[20] Dipesh Chakrabarty, *Rethinking Working-Class History: Bengal 1890–1940*, Princeton, 1989, pp. 108–13. Rajnarayan Chandarvarkar, 'Workers' Politics and the Mill Districts in Bombay between the Wars', *Modern Asian Studies*, 15:3, 1981, pp. 608–10.

factories with great deference, providing free services for them, even, in some cases, making their daughters sexually available to them. The relationship frequently involved debt. Employers occasionally indulged in a show of largesse by distributing free clothes and granting bonuses to their workers — all in a very arbitrary manner. An example was given of a rich Jain Baniya woman who was much respected by the workers because she had performed a renunciation ceremony in which she had tossed large sums of money to the poor. In public, the workers praised her as an exemplary person, even though her wealth was based on the exploitation of their labour in a local rubber factory.[21]

There is evidence to show that in the vanguard areas of commercial farming the new rural middle class is now abandoning such forms of paternalism. Jan Breman's study of labour relations in the sugar industry in south Gujarat shows that by uniting together in processing and sale co-operatives, the sugar-growing peasantry are able to detach themselves from any direct dealings with the workers who plant and cut their sugarcane. The co-operative makes arrangements with mukadams who recruit the labour, almost always from their villages which are far away from the sugar-growing area. The mukadams control labour-gangs, and they take their orders directly from the co-operative managers, who tell them where to send their gang each day. If a farmer needs a particular work done on his field, he makes an arrangement with a mukadam to send labour, employed on a temporary and casual basis. The farmers have no interest in the welfare of the workers, who live in labour camps in conditions of appalling squalor. Because the relationship now lacks any personal element and has no continuity over time, the workers refuse to tolerate physical violence or sexual attacks by the farmers. In fact, cases of such abuse excite great fury amongst the workers. Any protest or demand for better conditions of work is crushed in a very ruthless manner by hired strongmen backed by the local police. Workers who protest are blacklisted, and will not be hired in the following season. The relationship is one of mutual animosity and extreme distrust. Despite all this, paternalism survives in the relation-

21 Jan Breman, 'The Market for Non-Agrarian Labour: The Formal versus the Informal Sector', and Loes Schenk Sandbergen, 'The People of Dhobi Talav: Poverty and Solidarity', both in S. Devdas Pillai and Chris Baks, *Winners and Losers: Styles of Development and Change in an Indian Region* (Bombay 1979), pp. 150–2 and 191–2.

ship between the workers and the mukadams. They have to foster good relations with these men, who provide them with employment each season and who control their finances, advancing them loans to provide for their immediate subsistence needs which are repaid from the wages paid for each labour-gang directly to its mukadam at the close of each season.[22]

All this helps to foster amongst the poor a mentality of dependence on the superior provider, whether a labour-jobber, a bank official or local politician. This mentality of dependence coexists with an understanding that these superiors are often corrupt and cannot be trusted. There are therefore tensions, which can lead to outbursts of protest, though rarely any sustained radical movements. The leaders who emerge from the poor peasantry are too easily co-opted by the system, seeking to become commercial farmers, self-aggrandizing politicians, or to hold secure jobs as officials. With great facility they adopt that calculating commercial ethos which in the past was associated more with the Baniya than the peasant. Although Baniya usury is no longer what it was, a central part of their ethos has thus been taken over by the new middle class, prevailing amongst not only those who hold positions of power and authority, but providing a model for the behaviour of many of those who do not.

India today can be characterized as a society in which industrial capital, though growing in strength, is not predominant, while merchant and usurer capital rooted in small-scale agrarian production continues to be a leading element of capital in general. The chief social divide in rural India is between the big and petty owner of the means of agricultural production, a divide which does not correspond to that between the owner of the means of production and the wage-labourer, for although the poorer peasantry are forced to survive by selling their labour, they also retain a precarious hold over the land. In many cases, the industrial workers of the cities retain links with their ancestral villages, with family members and relatives cultivating plots of land. They visit them during holidays or seek refuge there while on strike. Their great ambition is either to augment their petty holdings through wage-labour or to start their own business in the city, climbing gradually into the ranks

[22] Jan Breman, *Of Peasants, Migrants and Paupers: Rural Labour Circulation and Capitalist Production in West India*, New Delhi, 1985, see especially chapter 9, 'Changing Patterns of Employment and Labour Relations'.

of the bigger owners of property. Class consciousness is thus overridden time and time again by a desire for middle class respectability and status, expressed often in the language of caste and a petty bourgeois religiosity. Merchant and usurer capital is thus underpinned today by the striving and ambition of those huge numbers who suffer from its operations, yet aspire to use it to their own benefit.

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